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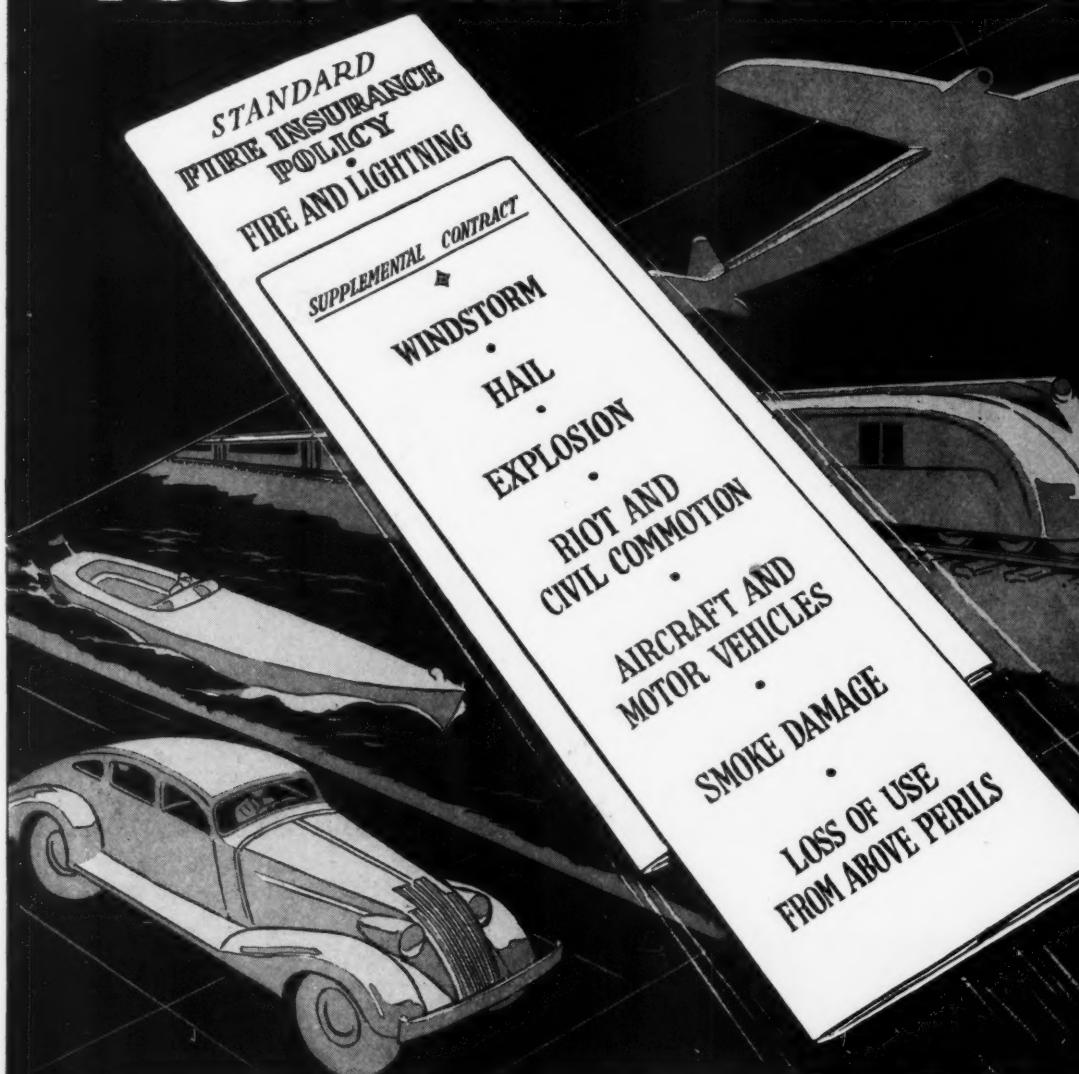


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THURSDAY, APRIL 29, 1937

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BRING YOUR FIRE POLICIES UP TO DATE

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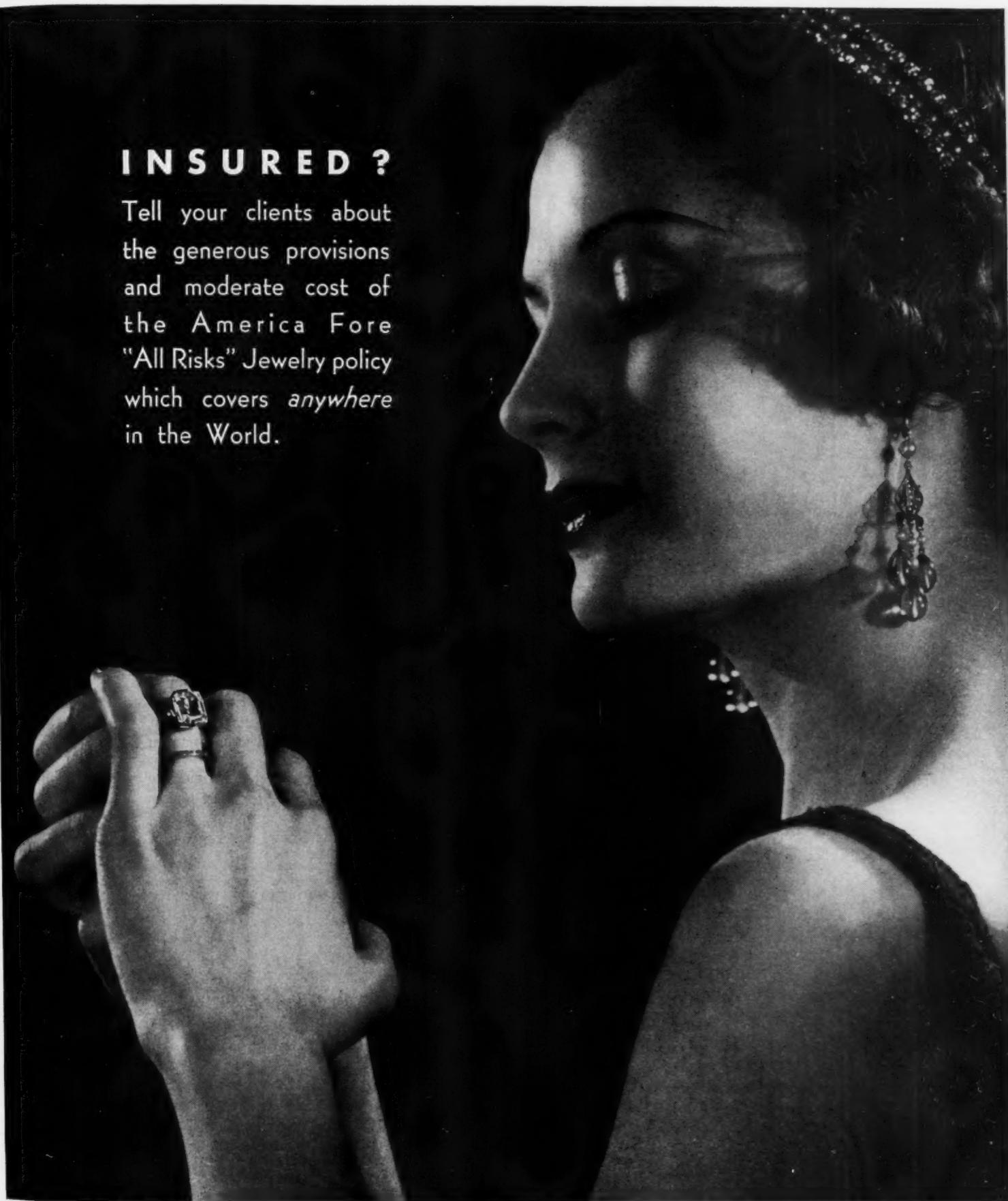
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So said the Tennessee lawyer and soldier, Andrew Jackson, at the Battle of New Orleans which took place January 8, 1815, 16 days after hostilities between this country and England had ceased. And although it took days to get the message through that the war had ended, Old Hickory and his motley “army,” in winning this anti-climax of the war, wrote a new chapter of determined independence in the history of a young nation.

But even before the War of 1812 and the Battle of New Orleans, the Providence Washington was writing history by issuing policies for the protection of American homes and property. Down through the years, since its beginning 138 years ago, this strong New England institution has kept pace with changing conditions—new coverages designed, new methods adopted.

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These companies write the following classes of Insurance:

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INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND
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The NATIONAL UNDERWRITER

Forty-first Year—No. 18

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 29, 1937

\$4.00 Per Year, 20 Cents a Copy

Canadians Plan a Drive for Reform

Dominion Insurers Convene to Devise Way to Fight Non-Affiliated Competition

RECALL M'NAIRN WARNING

Canadian Underwriters Association in Ottawa Meeting Debates Means to Check Excess Commissions

OTTAWA, April 28.—In a further effort to devise effective methods for meeting vigorous competition of non-affiliated stock and of mutual companies, the Canadian Underwriters Association, with jurisdiction over the entire Dominion except the Maritime Provinces, held a special meeting here. Major subjects were: Publicity, commissions and the suggested "In One in All," proposition. Underwriting conditions in Canada for a considerable time past have been deplorable, and while means for their improvement have been talked over at various conferences, none has proven effective thus far. Matters reached such a pass as to impel Superintendent McNairn of Ontario to issue a sharp warning some weeks ago that unless reformative measures were taken by carriers voluntarily a general investigation by the provincial government would be inaugurated.

Convinced the superintendent was in earnest that if a general study of insurance affairs were undertaken it would be far more drastic than the Matson inquiry of some 20 years ago, responsible company officials and general agents appreciate it behoves them to clean house, and to do it thoroughly and speedily.

One Means of Evasion

One means of evading the commission rule of the old Dominion Fire Association was through the thinly disguised method by some carriers in allowing excess compensation through the medium of their casualty affiliates. This arrangement was checked, however, insofar as organization offices were concerned, when the C.U.A. was formed two years ago to supplant both the former fire and the casualty governing organizations, thus making possible control through a centralized agency of operations of both types of carriers. Effective to a degree, the program yet fell far short to cleaning up the situation, for the large number of non-affiliated institutions had free rein, and their quest for business became more intense. It is now proposed companies holding membership in any one of the various provincial boards be required to join all others as well, both as to their fire and casualty writings. The orthodox scale of 15, 20 and 25 percent for fire business is held reasonable, and it was suggested it be enforced in all ter-

Farm Rate Credit Is Given for Superior Type Barn

MOVE IS MADE IN MID-WEST

Discount for One Type of Structure Amounts to 15 Percent; for Another It Is 25 Percent

A credit in the farm insurance rate for superior types of farm barns has been introduced in Illinois and will be introduced shortly in the other middle western states except Ohio and Missouri. For one type of barn a deduction of 15 percent is allowed from the basic fire and lightning estimates applying to farm barns and contents insured only while therein. For the other type of superior barns, the credit is 25 percent.

For the 15 percent credit, the building may have wood frames but must be metal sheathed inside and out with no wood exposed; must not be more than one story in height; must have concrete floor; window frames to be metal and doors to be metal or metal clad; all interior equipment to be metal. Hay or feed must be stored outside of the building and if stored within 75 feet thereof, must be in metal containers cut off from the building by self-closing metal or metal clad doors. The building must be detached at least 75 feet from other frame buildings or frame structures of more than 250 square ground floor area.

Credit of 25 Percent

The credit may be increased to 25 percent if the building is of steel or other incombustible material throughout and otherwise complies with the provisions applicable to the 15 percent credit building except that the detachments may be reduced to 50 feet.

Any building or container used for the storage of hay and feed and attached to or communicating with farm barns of this superior type cannot be included as an addition to the barn but must be insured specifically at the regular farm fire and lightning or combined estimate.

The rate credit for rural fire department protection has now been introduced in Illinois, where the credit is 7 cents, Tennessee, 8 cents, Iowa, 6 cents, and Nebraska, 5 cents.

ritories. Instead of allowing general agents the full commission they enjoy as such, it is proposed to limit them to district agents' commission on their direct business. The district commission, while less than that accorded general agents, is somewhat higher than allowance to purely local agents.

In the "excepted" cities of Montreal, Toronto, Winnipeg and Vancouver, it has been proposed each company be allowed two district offices. While little has been said as to the matter of rates, it is appreciated failure to bring commissions within bounds will more than likely result in a downward revision of rates by authorities, and such knowledge is likely to have greater weight in inducing adoption of a reasonable scale of commissions than any other argument that can be advanced.

Chicago Board Tightens Membership Requirements

DEFINITIONS OF OFFICES

Empowers Membership Committee for First Time to Reject Any Applicants

Action tightening membership requirements, giving the membership committee greater powers and defining the various classes of offices for the first time in its history, was taken by the Chicago Board at the quarterly meeting. The directors' report setting forth the new definitions that put teeth in membership requirements was adopted and now is in force.

Two amendments, raising the necessary majority vote for election of Class 1 members from 80 to 85 per cent, and giving the membership committee the power of acceptance or rejection of an applicant for membership—a power which it never has had in the board's history, were adopted unanimously by members present, but the vote of the remaining membership is being secured by mail before the amendments become effective.

Committees' New Powers

The membership committee heretofore has had only the power of examining qualifications of applicants and certifying to directors that they were or were not qualified under the rules. The committee under the new rule also has power to summon an applicant to appear in person. The committee's power of rejection is subject to appeal to and reversal by the directors.

Three new directors were elected: F. A. Cramsie of Cramsie-Laadt & Co.; I. C. Faber, manager Cook county department National Union, and A. W. Jenkinson, city manager Northern of London.

Definitions Are Given
The new definitions of various kinds of offices are:

BONA FIDE OFFICE—This applies only to metropolitan members. 1. Space in a business building: (a) Adequate in size and arrangement for the conduct of an insurance business and the performance of all of the functions usual to a bona fide agent or supervising executive. (b) For which a commensurate consideration is paid by the member occupying the office.

(CONTINUED ON PAGE 30)

Hail Insurance Prospects More Promising This Year

Companies writing hail insurance on growing crops report that business is coming in quite lively from Texas, Oklahoma, Kansas and Nebraska. Conditions in these states look far more favorable than last year. Western Kansas is still subject to dust storms and throughout that section the wheat crop has been seriously damaged. Nebraska is lacking in moisture. The outlook, however, for hail insurance this year at this particular time is encouraging. It is expected there will be an increase in premiums. The high price of grain at present is helping.

Broad Riot Cover for Superior Risk

Sit-down Strike Damage Is Included in New Stock Company Form

CHARGE 5 CENTS RATE

Same Protection as Regular Riot Plus Vandalism Is Offered at Lower Cost

The Factory Association of Hartford, Western Factory, Pacific Factory and Western Sprinkled Risk have now made available to their assured a supplemental contract endorsement form specifically assuming liability for all physical damage done in the course of sit-down strikes. The cost is 5 cents per \$100 of liability. A U. & O. contract, the coverage of which runs with that of the new broad form riot cover, is also made available at the same rate.

This cover is only available through these special risk organizations except in New York state and in Chicago. In New York state the Explosion Conference made a filing that has been approved. There the broad forms may be written only in connection with supplemental contract 3 or 3-c, or western superior risk fire form. That is, it may be used only for assured in New York that have what is commonly known as the broad form.

Chicago Board Move

The Chicago Board special risk department is preparing to make available the new riot cover in Cook county for superior risks.

This new riot coverage is not available otherwise. The ordinary assured may get virtually the same protection by purchasing the regular riot cover either independently or through the supplemental contract and purchase in addition the malicious mischief and vandalism endorsement. That combination is somewhat more costly than the new broad form riot endorsement.

The factory mutuals about two weeks ago came out with a new riot cover protection against acts of strikers, also at a 5 cent rate. However, previous to that time factory mutual assured had to look elsewhere for complete protection in that respect. The stock company organizations for about three months previously had been offering to their assured malicious mischief coverage and for several years previously malicious mischief had been obtainable from stock companies generally.

The old riot form, which is intended to cover loss for damage only when a condition of riot exists is still available at the old rate of 1 cent to assured of the various special risk syndicates. The old forms have, however, been revised to include the interpretation that covers

(CONTINUED ON PAGE 30)

Automobile Trailer Contents Policy Put Out by Mutuals

Development of an automobile trailer contents policy which gives complete coverage is announced by the underwriters' committee of the Mutual Marine Conference. It will be offered shortly to the motoring public by most of the companies in the conference.

The policy is designed to bridge the gap between policies which cover the trailer itself and the floater policies which can be used to cover only a portion of the property commonly found in an automobile home trailer. It takes up coverage at the point at which the trailer policy stops, and when the two are used in conjunction complete protection is secured. The policy, limited to continental United States and Canada, provides coverage on property of guests up to 10 percent of the face amount.

Scope of the Coverage

The 4 percent basic rate covers loss or damage to such personal property as is usually carried by tourists or travelers in trailers from the perils of fire and lightning; cyclone and windstorm; collision; collapse of bridges, platforms and like structures, and water transport on ferries, including any liability for salvage or general average charges. In complementing the trailer policy it covers all fixtures which are not built into the trailer.

Credits are given in this rate for approved extinguishers, conduit wiring, the use of bottled gas for cooking, all-metal construction, and trailer brakes. An extra charge is made on home-built trailers, and on those using oil for heating or lighting. Foam type extinguishers must be carried on those of the latter type to earn an extinguisher credit.

A burglary and hold-up endorsement is available at a basic additional rate of 2 percent, with credits provided for the presence of tumbler locks on doors, and for approved alarm systems. An additional charge is made in the burglary rate on trailers which are used for liv-

ing purposes in or near metropolitan areas.

TRAILER COMPETITION FELT

MINNEAPOLIS, April 28.—House-trailer competition with small homes and apartments as well as with beach cottages is already being felt in some southern realty markets; northern summer resort proprietors with strings of house-keeping cottages for rent view the expanding public interest in trailer travel with mixed emotions but in some cases are buying trailers themselves as substitutes for additional cottages, while realtors in many parts of the United States are watching the zooming sales of "houses on wheels" with keen interest, though anticipating little effect on the market for permanent housing facilities in zones with severe winters.

Meanwhile Mr. and Mrs. Public haunt dealers' showrooms, and trailer factory production schedules are being stepped up to double and treble 1936 outputs, with inquiries and current orders far

(CONTINUED ON PAGE 10)

THE WEEK IN INSURANCE

Special risk associations make available a broad form of riot cover, including damage done by sit-down strikers, at a rate of 5 cents per \$100 of liability.

Page 3

Membership requirements tightened by Chicago Board at quarterly meeting; definitions of various types of offices adopted.

Page 3

Canadian Underwriters Association in Ottawa meeting debates means of checking excess commissions, non-affiliated competition.

Page 3

Recent fire in air-conditioning equipment in Kansas City hotel emphasizes that this equipment offers a new hazard.

Page 5

Action is speeded on Illinois insurance code bill before lower house of legislature.

Page 6

Announcement is made that J. K. Nelson will retire as assistant general manager of the Western Adjustment. He will be succeeded by J. H. Burlingame, Jr., Cincinnati manager, who in turn will be succeeded by J. J. Conway.

Page 10

Rochester, N. Y., and St. Louis excess commission situations present problem that must be solved by underwriters organizations soon.

Page 4

J. J. McGrath, chief of the rating bureau of the New York insurance department, goes with Chubb & Sons, New York City, and the United States Guarantee.

Page 5

London Lloyds booster meeting in Chicago turns into a disorderly session when half a dozen adversaries of Lloyd appear unexpectedly on the scene.

Page 4

Penit Assuranc reaches agreement with the Southeastern Underwriters Association for rating and stamping bureau service.

Page 8

Washington department notifies fire and casualty companies that too many complaints are received regarding rate cutting, discrimination, rebating and other violations of the insurance code.

Page 39

Dixwell Hewitt, former Pacific Coast manager of the Hartford Fire, is dead.

Page 5

Insurance Brokers Association of New York City at its luncheon heard President L. E. Thayer of the organization tell of its achievements.

Page 9

J. L. Erhardt has been appointed assistant manager of the western department of the Royal-L. & L. & G. group.

Page 10

Sour Notes at London Lloyds Booster Meet

What was intended to be a London Lloyds booster meeting in Chicago to create publicity in support of generous treatment for the London underwriters in Illinois insurance code bill, turned out to be a three hour collision between those who want Lloyds to ride through Illinois in a drawing room on a tourist class ticket and those who want Lloyds given no greater privileges than are enjoyed by other insurers.

The meeting was announced as being under the auspices of the Agricultural club with Henry Scarborough of Chicago presiding. Mr. Scarborough is a famous Lloyds broker who has something of a monopoly on bankers' blanket bond business in Illinois. The Agricultural club is something of a mystery to insurance people.

Wolff Sees Announcement

The announcement of the meeting was seen by Allan I. Wolff of the Associated Agencies, Chicago, past president National Association of Insurance Agents. He made inquiry and found that this

(CONTINUED ON PAGE 30)

Rochester Status Puzzles Managers

Department Attitude Indicates Solution of Excess Situation Must Soon Be Found

ST. LOUIS ALSO PROBLEM

Eastern and Western Underwriters' Associations Face Necessity to Take Remedial Action

NEW YORK, April 28.—Two situations that are giving companies serious concern, not alone for their direct effect but more particularly for the influence they are likely to have upon other centers of the country unless satisfactory solutions soon are found, are those existing in Rochester, N. Y., and St. Louis. The former city is under jurisdiction of the Eastern Underwriters Association and the latter in Western Underwriters Association territory.

In each case the cause of the disturbance is the same, payment of excess commissions, either directly or through thinly disguised subterfuges. Conditions in St. Louis have been the subject of special consideration by the governing organization of the west for months past, while those at Rochester will be debated at the meeting of the E. U. A. executive committee the forenoon of May 6 and by the full membership later in the day.

Rochester Conditions Worse

The trouble at Rochester is of long standing and has been getting steadily worse, having reached such a pass recently as to impel Superintendent Pink of New York to secure introduction of a bill in the legislature giving the department control over commissions. While the measure failed to pass and probably was not expected by its sponsors to do so, it served to warn that extravagant commissions to business producers must cease, either voluntarily or otherwise.

Rochester agents were aggrieved through failure of the E. U. A. to place their city in the excepted category instead of in ordinary territory ten years ago. Commission in the latter field is flat 20 percent, while agents in "excepted" centers are allowed 20, 25 and 30 percent. Buffalo, a near neighbor of Rochester, has been in the favored class, a fact which has been aggravating to Rochester agents in the latter center, who assert that Rochester's loss record entitles it to preferential treatment as fully as that granted the other city.

Business Eagerly Sought

That Rochester business is desirable is evidenced by the eagerness with which non-affiliated companies are competing for it, paying up to 40 percent plus a limited contingent for certain classifications. Organization offices have been faced with the alternative of either increasing their compensation to producers or losing business in large volume. While many companies have held steadfast to their association obligations, others have found means of circumventing the commission pledge, creating thereby a condition that can no longer be tolerated.

Appreciating the community of interest, informal conferences have been held between several association and non-association company officials, and it is expected other, perhaps more formal sessions will take place before the E. U. A. meeting early next month. It is

(CONTINUED ON PAGE 10)

Made Member of Official Family of the W. U. A.



F. W. KOECKERT, New York City

United States Manager F. W. Koeckert of the Commercial Union group becomes second vice-president of the Western Underwriters Association. He served heretofore as one of the vice-presidents and now returns to his former post. Mr. Koeckert is central western born, bred, schooled and trained. He is president of the National Board.

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Page 10

Air Conditioning Problems Outlined

H. E. Newell, National Board Engineer, Tells New York Safety Council of New Factors

SERIOUS FIRE HAZARDS

Suitable Material in Ducts, Use of Automatic Shut-down Apparatus Are Essential, He Declares

After all the work that has been done to protect buildings by closing vertical and horizontal openings, much harm may come from spread of fire through air conditioning ducts unless due precaution is taken to fireproof and protect them, H. E. Newell, assistant chief engineer National Board, told delegates at the annual convention of the Greater New York Safety Council. Many fire and casualty men attended, as well as building material manufacturers.

Defent Safety Measures

A building may be of thoroughly fireproof construction and have these features properly protected, but their intent will be defeated if air conditioning or ventilating ducts are installed throughout without dampers, which in effect will serve as fire doors thoroughly to close and cut off spread of flames vertically, in case of fire, he pointed out.

Air conditioning within the last few years has had a phenomenal growth, due to the availability of increasingly better equipment at greatly reduced costs. Features related to fire protection include air heating equipment, mechanical refrigerating equipment, air ducts (as a means of spreading fire), use of combustible linings in air ducts, use of combustible filters or combustible oil coatings on non-combustible filters, and some electrical equipment with the usual electrical hazards.

Tells Safeguards

"Needed safeguards include proper construction of the ducts, automatic fire dampers in ducts where they pass through fire partitions and at all openings and connections to main vertical ducts serving several floors, accessibly located manual shut-down for fans, and automatic shut-down under fire conditions. A number of fires have indicated all types of air conditioning systems employing ducts present the hazard of rapid spread of fire through the ducts when not equipped with safeguards. Fires have also shown the hazards of combustible duct linings and of combustible filters. Division of large systems into several smaller units is recommended," Mr. Newell said.

Regulations of the National Board for the installation of air conditioning systems are being revised to bring them fully up to date and more completely to cover systems in residences.

MAKE FIRE, SMUDGE HAZARDS

The recent fire in a Kansas City hotel that destroyed the velvet lining in the newly installed air-conditioning equipment is regarded as significant by fire insurance people. In order to deaden the sound, these air-conditioning systems have to be lined with some material such as velvet or celotex. Ignition occurred in the Kansas City hotel when a workman clumsily operated a blow torch. Due to the movement of air in these systems, if a fire gets started it is likely to traverse the length of the

(CONTINUED ON PAGE 10)

Speakers for Insurance Buyers Conference Given

MAP ATLANTIC CITY PARLEY

Pink, Goodale, C. C. Hewitt, C. D. Minor Among Those Featured at Meet May 24-25

The roster of speakers for the annual insurance conference of the American Management Association has been announced by H. L. Stone of the National City Realty Corporation, chairman of the program committee. The meeting will be held May 24-25 in Atlantic City.

The speakers include: Superintendent Pink of New York; A. A. Ballantine of Root, Clark, Buckner & Ballantine, attorneys; Allen Goodale, Travelers; Prof. R. H. Blanchard, Columbia University; K. C. Bell, Chase National Bank; C. D. Minor, Royal-Liverpool groups; Harold Hyer, adjuster and insurance director of the New York World fair; J. A. Robinson, insurance buyer of McKesson & Robbins; Ernest Meyer, Robert Bair Company; C. C. Hewitt, Boit, Dalton, Church & Hamilton, Boston agents; J. G. Reese, Consolidated Gas, Electric Light & Power Co.; A. V. Miller, insurance buyer New York "Herald-Tribune"; T. W. Dinlock, S K F Industries.

Subjects for Discussion

At the session the morning of May 24, the subject of indemnification for automobile accidents will be treated by two speakers. That afternoon discussion will center about consequential losses. The types of consequential loss generally encountered and the contingencies and cost of various types of coverage will be handled by Mr. Minor.

The entire second day will be devoted to discussion of insurance management. Study will be given to the functions of an insurance buying department.

Missouri Actuary Joins the Continental Assurance

JEFFERSON CITY, MO., April 28.—The resignation of Carroll E. Nelson, actuary of the Missouri department since 1930, is announced by Superintendent O'Malley.

Mr. Nelson is to become associated with the Continental Assurance of Chicago as associate actuary.

Mr. O'Malley has appointed Charles M. Hansen, St. Louis, to succeed Mr. Nelson.

Louisiana Meet Starts

MONROE, LA., April 28.—All signs point to a record breaking attendance at the annual convention of the Louisiana Insurance Society to be held here Thursday and Friday.

While there was a routine meeting of the executive committee this afternoon the convention proper does not open until Thursday morning and yet more than one hundred had registered early this evening and hotels report all rooms reserved.

Fear had been expressed that President Terrell Woosley, Lake Charles, would be unable to attend because of his recent illness, but he will be here to preside at the opening session although he may then turn over the chair to Vice-president T. C. Grace, Baton Rouge.

Will Attend Credit Meeting

A sizable number of insurance people will attend some of the sessions of the National Association of Credit Men in Chicago, June 21-25. The insurance committee of the association has been quite active. Don Campbell of Chicago, credit manager of the America Fore, is chairman of the insurance committee.

Joins Chubb & Sons



J. J. MAGRATH

J. J. Magrath, chief of the rating bureau of the New York state insurance department, who joins the important office of Chubb & Sons in New York City, is a well known figure in departmental circles. He is an expert in rating and in many problems that have come before him, he has evinced always a judicial and broadminded temperament.

Dixwell Hewitt, Former Coast Manager, Is Dead

SAN FRANCISCO, April 28.—Funeral services for Dixwell Hewitt, former coast manager of the Hartford Fire and veteran of the fire business, were held in Santa Barbara Tuesday. He died from heart attack Monday.

A native of New York, he arrived in California in 1886. He entered the fire business and for several years he traveled the northwest and inter-mountain territory. Later he joined Catton Bell Company, an old general agency and soon became assistant coast manager of the Phoenix of London. In 1901 the firm of Butler & Hewitt was formed representing the Phoenix of London. In 1903, following the death of the senior partner of Belden & Palache, he joined Whitney Palache in the firm of Palache & Hewitt, general agents for the Hartford.

On Mr. Palache's appointment as vice-president of Hartford Fire at the head office in 1913, Mr. Hewitt became sole coast general agent. He retired from active business in 1924, when he was succeeded by Joy Lichtenstein. He was 74 years of age and was a cousin of Dixwell Davenport, general agent for the Bankers & Shippers and Hewitt Davenport of G. E. Billings & Co.

Licensed in Arkansas

Chicago Lloyds has been licensed in Arkansas to write fire and allied lines and miscellaneous casualty insurance, but only for filing purposes, the head office announces. E. B. Crawford, West Memphis, is agent for service in the state. The permit was issued in line with a recent supreme court decision directing Commissioner Harrison to issue a permit to Lloyds America of Texas. Chicago Lloyds officials state an agency plant will not be developed in Arkansas at this time.

Mutual Agents' Directors Meet

Directors of the National Association of Mutual Insurance Agents met Saturday in Washington, D. C., to make plans for the annual convention in Richmond, Va., next fall.

The General Casualty of Madison, Wis., has been licensed in Nebraska.

Magrath Joining the Chubb Office

Chief of Rating Division of New York Department Resigns as of July 1

HE HAS HIGH REPUTATION

Deserved Tribute to His Ability and Service Is Paid to Him by Superintendent Pink

NEW YORK, April 28.—The New York department has again been called upon to furnish talent for the insurance fraternity, the most recent demand upon it being for J. J. Magrath, who on July 1 will retire as chief of the rating bureau to associate in an administrative capacity with the marine and fire writing office of Chubb & Sons of this city, and with its affiliated United States Guarantee. The Chubb organization is one of the best known and highly regarded of its type in the entire country and has ever enjoyed a high reputation. While appreciative of the benefits Mr. Magrath will enjoy in the new connection the underwriting fraternity genuinely regrets his leaving the department, with which he has been prominently identified for a number of years, and where his familiarity with the problems with which it was necessary to deal from time to time, and eminent fairness of all his decisions earned the high respect of insurance men.

Pink Makes Announcement

In announcing the resignation of his departmental associate, which he did "with real regret," Superintendent Pink briefly outlined the business career of Mr. Magrath thus far, which has been steadily progressive one. After a short association as a clerk with the New York Life, Mr. Magrath spent a year as accountant for the New York state public service commission. His connection with the department dates from 1921, when he became an examiner. Some years later he was appointed acting chief of the rating bureau, and in 1929, the then superintendent, J. A. Beha, selected him as permanent head of the division as successor to the late Samuel Deutschberger, a post he has since held.

Scientific Rating

"Scientific rating" Mr. Pink said further, "is comparatively new in the insurance business and Mr. Magrath has not only made a mark in the department but has earned the respect of the insurance fraternity and is widely known because of his work."

"Few positions in the department have so direct and large a bearing upon the public welfare as his. In passing upon rates for automobiles, compensation and fire insurance, the superintendents under whom Mr. Magrath has served, have depended largely upon his help and advice. The controversial subject of rating has been kept on a high plane in New York and is based upon scientific study and research. Mr. Magrath is also known for his interest in the work of the National Association of Insurance Commissioners. He has been secretary and technical adviser of the acquisition cost committee, the committee on valuation of securities, the special committee on underwriting powers of insurance companies, the special committee on workmen's compensation insurance. He is an associate member of the Casualty Actuarial Society and a member of the insurance law revision committee."

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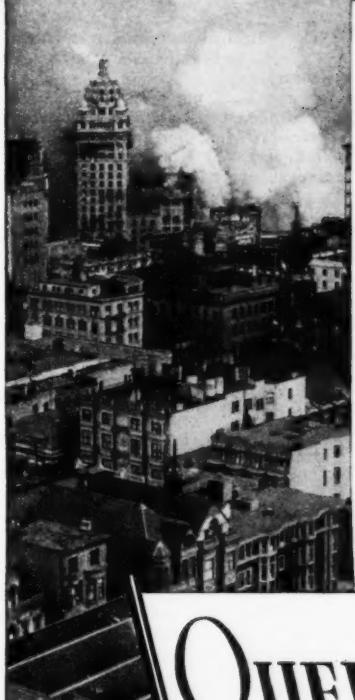


But

THEY CAME BACK

Refugees leaving San Francisco—as caught by a cameraman during the conflagration of April, 1906. Seldom has history recorded such a catastrophe—and never have the people of any city surpassed the courage shown by the 280,000 San Franciscans who were forced to flee from their burning homes. But they came back to build a bigger and better San Francisco, aided in their tremendous task by more than \$200,000,000 paid in claims by stock fire insurance companies.

The "Queen" was one of the five insurance companies (other than those whose loss was nominal) which paid all claims in full, immediately on adjustment, without discount. Also included among these five were the "Royal" and "Liverpool." These three (the only Royal-Liverpool Companies involved) together paid losses exceeding \$13,600,000.



QUEEN
INSURANCE COMPANY OF AMERICA
150 WILLIAM STREET • NEW YORK, N. Y.

ON THE JOB AT WHITE SULPHUR MEETING OF W. U. A.



1. John L. Mylod, New York, secretary North British; C. E. Wheeler, Chicago, associate general agent Hartford.
 2. Wallace Rodgers and E. H. Born, Chicago, assistant managers W. U. A.
 3. J. H. McCormick, Hartford, secretary, and T. R. Fletcher, Hartford, assistant secretary Scottish Union.
 4. Jesse White, New York, vice-president North Star, and R. R. Martin, New York, U. S. manager Atlas.
 5. C. W. Ohlsen, Chicago, manager Sun, and G. C. Kingsley, New York, president Recording & Statistical Corporation.
 6. S. M. Buck, Chicago, manager Fireman's Fund, and C. F. Thomas, Chicago, manager W. U. A.

7. H. T. Carlidge, New York, deputy U. S. manager Royal-Liverpool.
 8. H. F. Waterman, Watertown, N. Y., secretary Agricultural, and his daughter, Miss Waterman.
 9. R. L. Mouk, New York, central division manager North British.
 10. D. N. Iverson, New York, assistant U. S. manager, and W. M. McConnell, New York, U. S. manager Century.
 11. Rodney Davis, New York, U. S. manager Swiss Reinsurance.
 12. W. P. Robertson, Chicago, general manager North America, and J. C. Harding, Chicago, executive vice-president Springfield.
 13. Ivan Escott, New York, secretary Home.
 14. E. M. Schoen, Chicago, manager Atlas.

Vernor Outlines the Stock Fire Insurance Personality

R. E. Vernor, Chicago, Western Actuarial Bureau, was the second speaker of the lecture course conducted by the Fire Underwriters Association of St. Louis. He discussed "Personality of Stock Fire Insurance."

Mr. Vernor stressed that the fate of stock fire insurance rests in the hands of its half million individual personalities, which include 150,000 local agencies, 333 companies and numerous boards, bureaus and other engineering, research and service organizations. Because this force is composed of human beings, it has its shortcomings now and then, and the person viewing it should step away from details to get a proper perspective to see its wide horizon.

He pointed out that in addition to giving indemnity for loss, it has become interlocked with government financial institutions, industry, railroads and utilities, through investment. It has made credit possible through replacement capital which otherwise would have to be held in reserve for emergency replacement.

He reiterated that each day the reputation and personality is entrusted to its representatives everywhere. He said every stock fire insurance man or woman should remember that the impression they make contributes to the credit or debit side of the broad personality.

Is Studying Possibility of Writing Flood Coverage

The North America is making a study to determine whether the writing of flood insurance is feasible. The management, of course, knows all the reasons why flood insurance can't be written, but it is, nevertheless, making an investigation.

Graphs are being made of a number of cities, showing the various recorded flood stages and the number of times water has reached each one of the stages. The investigators dismiss immediately the idea that flood insurance can be written in the lower stages, but they are seeking to discover whether the risk could be handled on some basis in the middle and higher stages.

Records are being secured from various cities and the management runs into difficulties because it finds such records are for the most part unsatisfactory. At Cincinnati, however, complete and accurate records are available.

The North America is in the midst of its studies. It has reached no conclusion and the chances are that it will not make the venture.

Unionism in Indianapolis

The United Insurance Agents of America is the title of a labor union organization that has been organized in Indianapolis. A similar undertaking has been started in Cincinnati. Apparently the promoters are primarily interested in

signing up industrial life insurance agents. The Indianapolis concern is offering a bargain membership of \$3. The regular fee is \$5.

"There is no better time than now for the creation of an effective solidarity of insurance agents through uniting into an organization for the protection of their mutual interests," the membership solicitation material states. G. J. Purcell is president.

The office is at 155 East Market street. W. E. Neal and W. T. Quillin are the other directors.

S. E. U. A. and Pearl Fleet Reach Amicable Agreement

Mutually satisfactory arrangements have been completed between P. H. Mell, southern department manager of the Pearl-American fleet, and the Southeastern Underwriters Association, whereby the affiliated companies—the Pearl Assurance of London, Eureka-Security F. & M. of Cincinnati and the Monarch Fire of Cleveland—have subscribed to the rating and stamping bureau service of the S. E. U. A. The main outsiders now are the Buffalo and the Merchants of New York, aside from the General of Seattle. Both the Buffalo and the Merchants get rating and stamping service, and have been so receiving for a long time.

C. L. Gregory, who has been with the Texas department, has joined the Wheeler-Gill agency of San Antonio, as an oil engineer.

Stock Agents Retain School by Fire Prevention Service

MADISON, WIS., April 28.—Installation of fire doors and other fire preventive equipment in several public schools here during the past year on recommendation of the Madison Insurance Board will result in a saving of about \$1,500 annual on fire insurance premiums to the board of education. Due to the improvements which reduced fire hazards, the rate has been reduced from 59 cents to 44.8 cents per thousand. Public school properties are insured for \$2,818,166, with one-third expiring each year. As the result of the cooperation of local stock company agents through the local board in servicing the account and reducing insurance costs, the board of education has voted to renew the \$948,000 of expiring policies with the stock company agencies at a cost of \$4,247 for the three year period. State fund and self-insurance have been proposed here for city and public school properties recently, but the board of education has recognized the advantages of stock insurance and the services of local agents for public school coverage.

Get Sentinel in Southwest Texas

The Quirk & McAllister general agency, San Antonio, Tex., has been appointed general agent of the Sentinel Fire of the Springfield Fire & Marine group for southwest Texas.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

GENERAL BROKERS' ACTION

The General Brokers Association of the Metropolitan District in New York City has adopted a resolution authorizing President G. F. Sullivan to appoint a committee of three to work with similar committees from other brokers' organizations with the idea of bringing them closer together with the rating bureaus. Brokers at times have expressed a desire to be represented on these bureaus. It is believed that much good could be accomplished by the brokers having a voice in these bureaus, according to the executive committee.

* * *

REINSURANCE ISSUE IS UP

The right of states to prohibit fire companies reinsuring in institutions not authorized to operate in such commonwealths will probably be tested in a court action in the near future. As soon as a case is prepared it will be filed in some important state, the designation of which has not yet been agreed upon. While virtually all states refuse to allow credit in annual statements for reinsurance placed with non-admitted carriers—a condition about which no complaint is made—no commonwealth other than Texas has declared such transaction would be considered cause for the cancellation of the direct writing company's license to operate in that state, or to refuse admission to any institution on the same count.

* * *

VICE-PRESIDENT BROWN TO SPEAK

T. D. Brown, vice-president of the National Surety, will give a lecture before the Independent Brokers Association of Brooklyn Friday of this week at 56 Court street on "Fidelity and Official Bonds."

* * *

USEFUL CORROON & REYNOLDS GIFT

A most useful gift that is being distributed by the Corroon & Reynolds companies is an atlas of greater New York. It contains sectional maps of all five boroughs with complete street index. It has 27 individual maps. All transportation lines are shown, including bus lines. There is a separate map of the principal theater, hotel and shopping districts.

* * *

INSURANCE BROKERS' MEETING

High points in the address of President L. E. Thayer of the Insurance Brokers Association, presented at its 39th annual meeting in New York late this week, were the stand taken by the producers in opposition to the retrospective plan for rating workmen's compensation risks as prepared by the carriers, and the suggestion to the New York department that the plan be so modified as to afford assured the benefit of lower company expense loading, without brokers being required to make up the entire saving through reduction in commission; endorsement by the association of the effort of the New York Fire Insurance Exchange to check payment of excess commissions, and a brief summary of insurance legislation now under consideration at Albany. The association, Mr. Thayer declared, is striving constantly to improve the ethics of the brokerage business, confident that in due course it will be given professional recognition and the same consideration accorded it as is granted the professions generally. Tribute was paid to the "loyalty and devotion" of Executive Secretary B. M. Harris; W. W. Ellis, assistant to the president and editor of "Broker-Age," and to Miss M. W. Price, associate editor of the publication. At the luncheon which followed several hundred brokers, together with a goodly number of company executives, bureau officials and representatives of the insurance department were on hand.

Directors elected for three years were:

J. F. Brennan, Rollins, Burdick, Hunter Co.; C. L. Despard, Despard & Co.; George Dwight, S. C. Carr & Co.; T. F. Handy, Benedict & Benedict; R. E. Kipp, Delanoy, Kipp & Swan; H. W. Schaefer, H. W. Schaefer Co., and William Schiff, Schiff, Terhune & Co. At the same time D. S. Ellsworth of Freeborn & Co. was chosen for one year.

Guests of honor included S. P. Gilman, who was the speaker at the gathering, his topic being "Public Responsibilities Made to Order"; Arthur Goerlich, secretary National Association of Insurance Brokers; H. W. Schaefer, vice-president National Association of Insurance Brokers; G. F. Sullivan, president General Brokers Association of the Metropolitan District; P. A. Locke, president Independent Brokers Association of Brooklyn; Edward McLaughlin, deputy superintendent of the department; A. J. Jenkins, chairman of the committee; Percy Magnus, president New York Board of Trade; J. J. McGrath, chief rating bureau; Charles Wheeler, chief casualty department; Charles Ryan, chief fire division; Deputy Superintendent P. R. Taylor, and L. M. Gardner, counsel, all of the New York department.

* * *

G. F. NEILEY IS CHAIRMAN

G. F. Neiley, assistant U. S. manager Royal-Liverpool, has been elected chairman of the executive committee of the suburban division of the New York Fire Insurance Rating Organization. P. W. Barnes, secretary Fire Association, is vice-chairman.

Millers National Increase 22 Percent First Quarter

According to the report submitted to its directors, the Millers National of Chicago shows an increase of 22 per cent in premiums written for the first quarter over the corresponding period last year. Its increases were well distributed over the various classes which this company writes.

Compared with the same quarterly period of the previous year the company shows favorably reduced loss ratios, both according to losses paid to premiums written and losses incurred to premiums earned, reflecting a good underwriting experience for the beginning of the year.

Assets as of March 31, were reported as \$6,346,505, liabilities \$3,738,680, which included \$800,000 contingency reserve, and surplus \$2,607,824.

Birmingham in Oklahoma

PITTSBURGH, April 28.—The Birmingham Fire of Pennsylvania has been admitted to Oklahoma. The company, a running mate of the National Union Fire, will be represented by R. W. Drake & Co. of Oklahoma City as general agents.

Spokane Manager Dies

Daniel L. Weaver, 66, Spokane, Wash., died at a hospital this week from septic poisoning. He was manager of the Edward Brown & Sons general agency.

Action on Public Adjusters

At the meeting of the Western Underwriters Association at White Sulphur Springs a resolution was adopted reaffirming a resolution that it be the sense of the organization that where public adjusters appear on a loss a company will not pay until the 60 days are up.

Following the death of Mr. Smith, R. E. Smith & Co., Beaumont, Tex., has been reorganized as **Hodgson, Stone & Asbury**, composed of G. D. Hodgson, L. R. Stone and A. K. Asbury.

MERCHANTS INSURANCE COMPANY

OF PROVIDENCE

31 CANAL STREET INCORPORATED 1851
PROVIDENCE, RHODE ISLAND

• STATEMENT JANUARY 1, 1937 •

ASSETS

Bonds and Stocks	\$2,784,753.85
Cash Balance	332,659.10
Agents' Balances Outstanding	291,264.23
Accrued Interest, Other Assets	30,968.18
	\$3,439,645.36

LIABILITIES

Reserve for Unearned Premiums	\$1,117,004.42
Losses in Course of Adjustment	77,521.00
Reserve for Taxes, Expenses, All Other Liabilities	80,008.68
Special Reserve Account	50,000.00
Capital Stock	\$1,000,000.00
Net Surplus Beyond All Liabilities	1,115,111.26
Surplus to Policyholders	2,115,111.26
	\$3,439,645.36

NOTE: All bonds and stocks are carried at Actual Market Value.

Policyholders rating A+ (Excellent)

This company is built on the best practices of insurance and the fine traditions typical of New England.

SOUND - SOLID - SUCCESSFUL

ORGANIZED
1869



CAPITAL
\$3,000,000.00

NEW HAMPSHIRE FIRE INSURANCE
ALWAYS A SYNONYM FOR
STABILITY, SERVICE AND THE SQUARE DEAL
TO AGENTS AND POLICYHOLDERS

NEW HAMPSHIRE
FIRE INSURANCE CO.
MANCHESTER, N.H.

GRANITE STATE
FIRE INSURANCE CO.
PORTSMOUTH, N.H.
ORGANIZED 1885
CAPITAL \$1,000,000.00

J. K. Nelson Is to Retire; Burlingame Is Successor

CONWAY CINCINNATI HEAD

Important Changes at Head Office and Branch of Western Adjustment Are Announced

Joe K. Nelson, for the past 11 years assistant general manager of the Western Adjustment, is retiring from the adjustment field as of July 1. He will reside in Kentucky and devote himself to personal matters.

Mr. Nelson is one of the foremost adjusters of the country, having handled many of the larger losses which have occurred in the central west territory. He joined the adjustment company at St. Paul as staff adjuster in February 1916, became manager at Des Moines in 1922, and in due course succeeded to the management of the St. Louis office, where he remained until his appointment as assistant general manager at the head office in 1926. His many friends throughout the organization and with the companies will regret his decision to retire.

Succeeded by Burlingame

J. H. Burlingame, Jr., manager and general adjuster of the Cincinnati branch, has been promoted to succeed Mr. Nelson as assistant general manager at the head office. He was born at Cherokee, Ia., and received grammar and high school education in public schools of that city. He graduated in mechanical engineering from the Iowa State College at Ames, in 1911. After two years in engineering work he entered the employ of the Western Adjustment Oct. 1, 1913. He has served continuously since that date in the Cincinnati branch as staff adjuster, assistant branch manager, general adjuster and branch manager.

During his period of service in Cincinnati he has seen that branch grow from three to 14 adjusters and has had a large share in that development. His early training was at the hands of such teachers as R. J. Burlingame, R. R. Lippincott and afterwards under the seasoned and kindly direction of the late Wm. H. Clemons. At the outbreak of the war he was commissioned captain of coast artillery and later promoted to major. He was attached to the artillery school at Fortress Monroe for the entire period of his military service.

Mr. Burlingame was most loyal gander of the Ohio Blue Goose in 1932. He has a wide acquaintanceship in insurance circles and many friends. In his capacity as general adjuster as well as manager of the Cincinnati branch, Mr. Burlingame has been associated in the adjustment of many of the large losses in Ohio, in which capacity he has been unusually successful. He is the author of various articles on use and occupancy, in which work he is regarded as an expert.

J. J. Conway, Jr., who has served as chief staff adjuster under Mr. Burlingame since the death of Mr. Clemons, will succeed Mr. Burlingame as manager at Cincinnati. Mr. Conway is the son of the late esteemed Capt. J. J. Conway of national reputation in salvage corps and fire prevention work. He is thoroughly familiar with the operation of the Cincinnati branch and his appointment as Mr. Burlingame's successor is in appreciation of his excellent work as an adjuster and assistant branch manager.

Air Conditioning System Offers Some New Hazards

(CONTINUED FROM PAGE 5)

system and there is danger of transmission of the fire beyond the system if it gets past the filter.

Most of these air conditioning sys-

Get Convention for Dallas



The Dallas local agents are now laying plans for the annual meeting of the National Association of Insurance Agents to be held in their city the week of Oct. 11. At the mid-year meeting at Omaha, the Dallas delegation wore Mexican sombreros and serapes, indicative of the Pan-American Exposition in their city. In this cut are R. H. McLarry, president Dallas Insurance Agents Association, and Alfonso Johnson, secretary. They made a colorful and picturesque appearance at Dallas and attracted much attention.

Rochester Status Puzzles Managers

(CONTINUED FROM PAGE 4)

possible Superintendent Pink may offer suggestions of constructive character as well.

How to bring order out of the disturbed situation is frankly puzzling to E. U. A. members, who figure three courses are open: To reaffirm the present commission agreement; make Rochester an "excepted" city, or relinquish jurisdiction over it entirely. Increasing commissions, it is felt, would be followed by an insistent demand for like treatment by other cities throughout the association territory. Relinquishing control would almost inevitably lead to a scramble for business and create greater confusion. Whatever policy is adopted would probably make for added trouble, hence managers may conclude to do nothing.

It may be that the non-association company chiefs, realizing that, failing to reach an amicable understanding with their organization competitors would put the odium of creating a distressing

tem is now comparatively new. As they get older, there will be rust and danger of combustion will increase, fire insurance people fear.

Not only do these systems, therefore, project a new fire hazard but they are likely to produce smudge damage. Whether such damage would be covered under the supplemental contract may be a debatable question, but it would certainly be covered under the personal property floater.

situation upon them, will be amenable to a sensible form of settlement. Rochester agents, as primarily interested, could exert considerable influence upon both types of companies, and such influence, it is anticipated, will make itself felt within the next ten days.

As chairman of a special committee named by the executive committee of the E. U. A., P. B. Sommers, president of the American of Newark, invited officials of non-affiliated companies to meet representatives of organization offices this week for a general discussion of the Rochester commission situation, with a view to finding some basis of agreement. Associated with Mr. Sommers on the committee are: B. M. Culver, America Fore and R. P. Barbour, Northern of London. Mr. Barbour has a particular knowledge of the agents and business of Rochester, that city being within his jurisdiction when traveling as special agent for the North British & Mercantile a number of years ago.

Advocate New Commission Scale

Some members of the Underwriters Board of Rochester, it is understood, have suggested as a basis of settlement of present disturbed conditions, the granting by the E. U. A. members of 25 and 30 percent commission, plus 7½ contingent, in place of the existing 20 percent flat. As some of the non-affiliates are now paying as high as 40 percent, it remains to be seen how effective as a peace proposal, the graded scale named would prove to be. Should the free lance companies consent to go upon a parity with the organization brethren in the matter of commissions, they would want some off-setting con-

J. L. Erhardt Is Promoted by Royal-L. & L. & G.

ASSISTANT WESTERN MANAGER

E. R. Voorhis Becomes the Superintendent of the Automobile Department of All the Companies

NEW YORK, April 28.—Harold Warner, United States manager of the Royal-Liverpool groups, announces the appointment of J. L. Erhardt as assistant manager of the western department, in which capacity he will be associated with Manager E. W. Hotchkiss and H. F. Gregg, assistant manager. Mr. Erhardt has been connected with the fire companies of the Royal-Liverpool groups since 1925, at which time he became superintendent of the automobile department of the Royal. He subsequently served in a similar capacity for all fire companies in the associated groups and has recently been automobile department secretary for the fire companies in the groups.

Voorhis Now in Charge

Agency Superintendent E. R. Voorhis, who for many years has been associated with Mr. Erhardt in the automobile department, will take charge of that department following Mr. Erhardt's promotion. Under the new arrangement W. J. McGurk will continue as superintendent of the metropolitan automobile department.

Mutuals Devise Policy to Insure Trailer Contents

(CONTINUED FROM PAGE 4)

ahead of the same season last year, according to a survey just completed by Northwestern National Life of Minneapolis.

Though most of the concerns reporting are operating only one shift now, the majority expect to put on an additional shift during their approaching peak season. Almost without exception they are either making increases in the size of their factories, or have recently done so. Of a dozen major manufacturers of house trailers from Michigan to California, the smallest increase reported over 1936 production schedules was 50 percent and the largest 900 percent. Total U. S. output for 1937 is variously estimated at from 100,000 to 150,000 units.

Two of Kentucky's Veteran Field Men Are Honored

LOUISVILLE, April 28.—About 50 fire insurance men attended the testimonial dinner arranged by the Kentucky Blue Goose in honor of two retiring Kentucky field men, A. I. Macpherson, for more than a quarter of a century with the St. Paul Fire & Marine, and E. F. Scott, who served a similar long period with the Great American.

C. R. Street, Chicago, vice-president and manager of the western department of the Great American, and A. B. Jackson, assistant vice-president of the St. Paul Fire & Marine from St. Paul, were present, and were the chief speakers.

cession; realizing that many agents now representing them, would drop the connection, if all institutions compensated at the same rate.

The difficulty in handling the situation is that if any special commission or other advantages were conceded Rochester agents, a demand for similar treatment would more than likely be raised by Syracuse, Utica and other important centers in the state, now classed as in "ordinary" territory.

Contends Revision of Fire Contract Is Unnecessary

WOULD IMPEDE UNIFORMITY

R. K. Hill of Springfield F. & M. Gives Views at Meeting of Associated Industries of Missouri

R. K. Hill, assistant superintendent of the Springfield's improved risk department in the west, has been on the circuit making several addresses. He appeared on the program of the insurance buyers conference of the Associated Industries of Missouri in Kansas City and on the same day addressed a Business Development Office meeting in the same city. The next day he spoke at a B. D. O. meeting in Springfield, Mo.

At the meeting of insurance buyers, Mr. Hill commented on the current interest in the idea of revising the standard fire policy. He observed that insurance company executives are slow to respond to such suggestions. For one thing, they believe that the "substantial uniformity" of policy forms that now prevails would be disturbed if a revision were made and that the same degree of uniformity existing today would be difficult again to achieve.

For another thing, each phrase of the standard fire policy has been interpreted in the courts so that assured and company have a definite idea of what is intended. If new conditions were inserted, a period of uncertainty would ensue until court decisions had crystallized their meaning.

Again, according to Mr. Hill, the present standard policy is subject to modification and extension within the charter rights almost without limit. It has become conventional and usual to waive restrictive clauses by the attachment of forms and riders. Mr. Hill contended that as a practical matter the present policy provides good insurance and does not breed litigation.

Through the use of the supplemental contract and various marine coverages practically any insurance problem can be solved today, Mr. Hill stated. He said that the fire companies have been so active in extending the scope of their operations that the casualty writers are complaining of encroachment.

Mr. Hill at the B. D. O. meetings treated rather extensively the subject of consumer cooperatives. He said that consumer cooperation is mutual insurance in a new field. Both consumer cooperation and mutual insurance, he declared, are aimed at the profit motive in private business. The two go together, he contended. One cannot be right and the other wrong. Stock insurance companies, retail merchants, jobbers, wholesalers, manufacturers, he said, are all fighting to maintain the right to operate at a profit.

President Kennedy Objects to Designation "Bribe"

S. R. Kennedy, president of the Buffalo, in a letter to THE NATIONAL UNDERWRITER objects to a statement in a recent issue concerning the situation at Rochester, N. Y., and especially to the tribute to the late James Johnston. Mr. Kennedy says:

"THE NATIONAL UNDERWRITER's article in its issue of April 22 on the Rochester, N. Y. commission situation contains an undeserved tribute to the late James Johnston. Your correspondent says:

"Not all agents in Rochester have succumbed to the excess commission bribe. The late 'Jimmie' Johnston, one of the foremost local agents, took pride in refusing special offers made him, declaring the bribe-taker was as bad as the bribe-giver."

"The fact of the matter is that Jan. 1, 1924, before I became connected with this company, the Buffalo was practi-

St. Louis to Be Regulated in a More Rigid Manner

ORGANIZATION TAKES ACTION

Western Underwriters Association Initiates Legislation in Hope of Improving Situation

At the meeting of the Western Underwriters Association a strong effort was made to bring the membership in line in St. Louis operations which have been in more or less of a demoralized and unsatisfactory shape. The scale of commissions in St. Louis to class 1 is 20, 25 and 30 percent. The chief issue arises over the 5 percent extra for supervisory commissions where class 1 members have reporting to them sub-agents or class 2 agents.

In addition to the 5 percent supervisory commission there has been 10 percent contingent paid on supervised business. Hereafter supervisory commission will remain as before but the supervisory agent will receive 10 percent contingent on all his business, both direct and supervised. In addition there will be 10 percent contingent paid to all producing agents by the companies themselves. That is, the payment of the contingent will not go through a supervisory agent.

Furthermore, the W. U. A. will qualify the subagents for its own members. Heretofore the St. Louis Fire Underwriters Association had qualified them for its members. The W. U. A. companies will be obliged to file with the executive office in Chicago a list of supervising and supervised agents in St. Louis together with their addresses, names of partners and any other information that is necessary. There will be a checkup on both the supervisory and supervised agents. It is hoped through this method that there will be more order in the transactions in St. Louis.

cally sand-bagged into raising Mr. Johnston's commission from 15-20-25 percent flat to 30 percent flat plus 7½ percent contingent. When I took charge of the Buffalo's underwriting, Mr. Johnston's business was not in my opinion worth any such price, and I took steps which resulted in his resigning our company. Mr. Johnston, whom I never met, no doubt had many commendable qualities, but your eulogistic article does him considerably more than justice.

"Incidentally, why should the payment to an agent of a commission in excess of the E. U. A. commission be called a bribe? In itemizing our expense ratio, the Buffalo spends little or no money on services and facilities for which leading E. U. A. companies spend very large sums. When occasionally we find an agent with the record and classification we desire and who prefers a reasonable differential in commission and a contingent to the superior services and facilities in some respects of the E. U. A. companies, we feel at liberty to pay him what we think his business is worth, and there is no reason for describing the contract between our company and such an agent as one of bribery on either side."

FOR SALE

Local Agency with \$100,000.00 a year in premiums near Chicago for sale. Diversified class of business.

ADDRESS F-70, NATIONAL UNDERWRITER

POSITION WANTED

Seventeen years' experience adjusting losses for the Fire Insurance Companies, in Ohio, Michigan, Indiana, Illinois, Pennsylvania and Missouri. Fifteen years of this period Staff Adjuster for the two largest adjusting companies in Middle West. Desire position with Fire Company as Adjuster, Automobile Superintendent, State or Special Agent. Age 45, pleasing personality, and plenty of experience.

ADDRESS F-69, NATIONAL UNDERWRITER

1794 1937

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

ANNUAL STATEMENT December 31, 1936

Reserve for Unearned Premiums	\$1,920,780.68
Reserve for Losses Under Adjustment..	194,625.69
Reserve for Taxes and all other Claims	107,228.45
Contingency Reserve	100,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	2,112,660.17

TOTAL ASSETS

\$5,435,294.99

SURPLUS TO POLICYHOLDERS \$3,112,660.17

Bonds and stocks are valued on basis approved by National Association of Insurance Commissioners. On basis of market quotations, the total Admitted Assets would be \$5,548,777.75 and the Policyholders' Surplus \$3,226,142.93.

**Acquire
THE OLD "STATE OF PENN"**

UNION
INSURANCE COMPANY
OF
INDIANA



FIRE

TORNADO

PLATE GLASS

AUTOMOBILE
(All Covers)

Executive Offices: INDIANAPOLIS

BRANCH OFFICES

Columbus, Ohio
2340 A.I.U. Citadel

Decatur, Ill.
253 S. Park

Agency Inquiries Invited

A strong, progressive stock company. Organized 1849. Desirable territory in Indiana, Illinois and Ohio

NEWS OF FIELD MEN

No Canada Candidate Named

Seems Likely Quebec Blue Goose May Put Man in Lists for Grand Keeper

Evidently the Canadian Blue Goose members have not yet decided on a candidate to start up the line as grand keeper of the golden goose egg at the forthcoming grand nest meeting at Vancouver. This is the year for the Canadians to agree on a candidate. All the Canadian ponds with exception of Alberta have in the past had representation in the grand nest. The eastern ponds in Canada evidently feel that inasmuch as the grand nest honors have been in the western provinces, as H. B. Leuty of British Columbia is now most loyal grand gander, the eastern ponds should have a candidate this year. It is not likely that the Ontario pond will put up a candidate. There has been some talk of Most Loyal Gander Le-Blanc of the Quebec pond being put in the arena. There is rumor that Manitoba or Alberta might have a candidate.

Toronto Blue Goose Puts on a Very Successful Show

The Civitan Club of Toronto presented the Blue Goose concert party at the Victoria theater two evenings, the cast being composed of members of the Ontario pond. The benefit was for the Civitan camp for crippled children. The cast was Stanley Slader, Frank Chandler, George Chandler, H. B. Baillie, most loyal gander, William Case, Clark Woodland, Ernest Wilburn, John Weir, Don Dafoe, James Brown and Cliff Malcolm.

Sailor dances were presented and a chorus of villagers, coast guardsmen and sailors all were represented by Blue Goose members.

Home Transfers Mercer to Ohio; Succeeded by Klein

R. W. Mercer, Cook County special agent Home group, has been transferred as Ohio special, with headquarters in Columbus. He has been succeeded by J. R. Klein.

Mr. Mercer entered the business with the Gregory & Appel agency in Indianapolis, and was Indiana special for the Home, 1926-30, after which he was sent to Cook County. He will now work under Ohio State Agent H. H. Chittenden.

Mr. Klein has been in field work in southern Cook County for several years and was formerly a broker. He will work under E. R. Hurd, Cook County manager.

Plans Made for Wisconsin Field Meetings June 23-24

MILWAUKEE, WIS., April 28.—Thomas Larkins, Hartford, president of the Wisconsin Fire Underwriters Association, has appointed H. C. Busack, Norwich Union, as general chairman on arrangements for the annual convention June 23-24, Schwartz Hotel, Elkhart Lake, Wis. Fred Edler, New York Underwriters, and George Stetner, North America, are also on the general convention committee.

Business sessions will be held in the mornings with recreation and sports in the afternoons. E. S. Willman and B. F. Lutz are on the base ball committee; Harvey Girard and Francis Henze, horse shoe, and Charles Dox and D. W. Swanson, golf. A number of company officials and western managers from

Chicago are expected to attend the convention.

The Wisconsin Women of the Blue Goose will have a committee to arrange a program for ladies of the field men. The annual dinner dance will be held the first evening. Officers will be elected at the final session.

The Wisconsin Insurance Club, composed of Western Insurance Bureau field men, also plans to hold its annual meeting at Elkhart Lake on the same dates, according to Secretary L. R. MacDonald, Dubuque Fire & Marine. The annual meeting of the Wisconsin Blue Goose is also scheduled there during the field men's meetings, as is the annual meeting of the Wisconsin State Fire Prevention Association.

Montana Field Meeting

At the meeting of the Montana special agents association at Butte, S. L. Hjermstad of Great Falls, president, was in charge. Insurance Commissioner Holmes and Deputy J. D. Kelley addressed the meeting as did Irvine Bennett of Missoula, president of the Montana Association of Insurance Agents. E. L. Heidel of Bozeman, chairman contact committee of the agents association, and Earl Tiffany of Billings told about the plans for the annual meeting of the Montana agents association to be held at Missoula in August or September.

C. V. Templeton, Jr., Aetna Fire, has been elected most loyal gander of the Montana Blue Goose. E. F. Sullivan of Butte is his predecessor. Mr. Sullivan and M. S. Williams of Butte were named as delegates to the grand nest meeting. S. J. White becomes wielder of the goose quill.

Fire Prevention Meetings

The Michigan Fire Prevention Association will inspect Traverse City Tuesday of next week. R. E. Verner, Western Actuarial Bureau, will be the principal speaker at a public luncheon meeting. He will address high school students in the afternoon.

The South Dakota Fire Prevention Association made an inspection of Burke, S. D., which was very successful. The fire department gave a demonstration and parade. J. Burr Taylor of St. Louis was the chief speaker. C. V. Gibbs of Crum & Forster, president of the fire prevention association; E. H. Patch, America Fore, secretary; J. W. Krug, America Fore, chairman school committee, and Fire Chief Scanlon were also speakers. Ella Lillibridge, a well known Burke local agent, was chairman of the arrangements committee.

The South Dakota association will inspect Eureka, S. D., May 6. This will be the last inspection of the season.

Corroon & Reynolds Conference

Field men of the Corroon & Reynolds companies to the number of 40, from all sections except the Pacific coast, concluded a five days' conference with the executive officers and divisional chiefs in New York City. Daily sessions were held with Vice-President E. S. Inglis in charge. After general conditions were reviewed, situations peculiar to the territory of each of the field men were discussed and suggestions offered for solving special problems. General optimism as to future business-getting possibilities was voiced.

As a digression Mr. Inglis spoke of his recent trip through the Orient, giving many amusing incidents in the course of his journey through Japan, China and the Philippine Islands.

Phoenix of Hartford in Kansas

The Phoenix of Hartford group has divided the Kansas field following the promotion of F. C. Beazley, who becomes Minnesota state agent. J. H. Klinkenborg becomes state agent in

Wichita with headquarters in the Bitting building and G. L. Hampton becomes state agent in Topeka with headquarters in the National Bank of Topeka building. Kansas agents are under the jurisdiction of the inland marine service department in Oklahoma City recently opened under the supervision of Superintendent F. M. Callahan for that part of the business.

Mr. Beazley becomes secretary of the Minneapolis F. & M. as well as Minnesota state agent for the Phoenix of Hartford group.

Illinois Blue Goose Outing

A golf, dinner and initiation party of the Illinois Blue Goose will be held at the Oakcrest Country Club, four miles from Springfield, May 20. A good many field men will be in Springfield for the mid-year meeting the next day of the Illinois Association of Insurance Agents and a large attendance is expected at the Blue Goose party. This will be sponsored by the Dan T. Smith (Springfield) Blue Goose puddle. The initiation, however, will be under the auspices of the Illinois pond itself. Harry Conklin, Firemen's, is croaker of the Dan T. Smith puddle.

Marietta Inspection Results

At the inspection held in Marietta, O., under direction of the Fire Prevention Association of Ohio, the electric wiring situation was declared to be bad, partly due to the recent flood. Sixty-five attended the Kiwanis luncheon, when H. K. Rodgers, Western Actuarial Bureau, and R. B. Criswell, Ohio Inspection Bureau, spoke. Some were inclined to criticize the city, it being charged that it is ten years behind the times in fire prevention work. "Because Marietta is an old city," one speaker said, "is no reason why it should remain old in fire prevention activities."

General Selects McMerran

R. N. McMerran, for nine years with the Illinois Inspection Bureau, has been appointed a traveling engineer by the General of Seattle. His territory will be in the middle west. He was graduated from Armour Institute of Technology and has specialized in fire prevention work.

Elmer Halstead, General's engineering department head, will spend some time in the middle west acquainting Mr. McMerran with his new duties. Mr. Halstead has been visiting southern offices and will return to the head office in Seattle.

Iowa Field Men to Meet

A meeting of organization field men in Iowa has been called for May 7. Secretary C. F. Thomas and Assistant Manager Wallace Rodgers of the Western Underwriters Association will be present. It is expected that plans will be made then for the promotion of the Business Development Office campaign in the state. If sufficient interest is evinced a field club may be organized to prosecute this work.

Will Meet in Alexandria

Definite arrangements have not yet been made for the annual summer outing of the North Dakota and South Dakota field men, although it is likely to be held between June 15 and 20. The meeting, as usual, will be at Alexandria, Minn.

The Dakota Blue Goose will plan to meet two days before the Minnesota people at Alexandria.

Ohio Underwriters to Meet

The Ohio Fire Underwriters Association will meet in Columbus Tuesday.

Minnesota Meets June 23-24

MINNEAPOLIS, April 28.—June 23-24 have been tentatively picked as the dates for the combined annual meetings of the Minnesota Fire Underwriters As-

To Speak Before Meeting of the Louisiana Agents



ARTHUR B. DUNBAR, Omaha

A. B. Dunbar of Omaha, member executive committee of the National Association of Insurance Agents, will represent the organization at the annual meeting of the Louisiana agents at Monroe this week. Mr. Dunbar is fresh from the mid-year gathering in his city where points of interest were developed.

sociation, the Minnesota Fire Prevention Association and the Blue Goose. The place has not yet been decided on.

B. D. O. Meetings in Illinois

Business Development Office meetings in Illinois are set for Mt. Vernon, May 11; Carbondale, May 13; Lawrenceville, May 18; Harrisburg, May 19.

Mutual Field Club Rally

The Mutual Insurance Field Club of Ohio will meet in Columbus Monday night, the time being changed from noon in the belief it may be more convenient for field men and company officers to attend.

G-Man Is Blue Goose Speaker

W. L. Listerman, special agent in charge of the federal bureau of investigation, told of activities of the bureau at the luncheon meeting of the San Francisco Blue Goose April 26.

O'Brien Named at Los Angeles

A. L. O'Brien has been appointed special agent at Los Angeles for the Commercial Union group, J. E. Joseph, Los Angeles manager has announced.

To Inspect Edwardsville, Ill.

The Illinois State Fire Prevention Association will inspect Edwardsville May 12. This will be the last inspection before the fall campaign.

Plan New England Membership Drive

The New England Blue Goose held a meeting in Boston April 24 to discuss plans for a membership drive.

Patrick with Manning & Sons

Earl Patrick has been appointed San Antonio, Tex., special agent for T. A. Manning & Sons general agency of Dallas.

L. G. Peterson Resigns

L. G. Peterson, Wisconsin state agent Employers Fire, has resigned. His successor has not been announced.

The Louisiana Blue Goose will sponsor a boat ride on the steamer President at New Orleans May 14. William Gayle has charge of arrangements.

AS SEEN FROM CHICAGO

VERNOR WRITES ARTICLE

R. E. Vernor, manager fire prevention department Western Actuarial Bureau, Chicago, is the author of an article on fire loss fluctuation in the May issue of the Illinois Journal of Commerce magazine. He discussed loss fluctuations and their causes from the viewpoint of the legislator, underwriter, educator and fireman.

GEORGE W. LILLY LUNCHEON

George W. Lilly of New York City, general manager of the Fire Companies Adjustment Bureau, was in Chicago last week and some of the leading members of the Western Loss Association gathered with him for a luncheon. B. E. Moreau, St. Paul Fire & Marine, the president, led the delegation. He returned this week for the meeting of the Western Loss Association.

OFFICIALS TO GO TO THE COAST

President W. R. Hedge of the Boston and Old Colony and Vice-president F. B. Luce of the Providence Washington were in Chicago Monday en route to San Francisco where those companies have a joint coast department.

HOMMES GOES TO CHICAGO

John D. Hommes, sprinkler department engineer with the Kentucky Actuarial Bureau, May 15 goes with the improved risk department of the North America in the western department at Chicago.

He takes the place of Thomas C. Quackenboss, who has been given a three months leave of absence to visit China and Japan in company with a Northwestern University professor. He is a son of F. B. Quackenboss, chief engineer of the Western Factory.

HUMMEL MOVING AGENCY

The General Insurance Agency, of which W. R. Hummel is the head, will move into new and larger quarters in the Insurance Exchange, Chicago, Thursday night. The room number is A-818 and the new telephone number Wabash 3760. This office, a class 1 agency of the Chicago Board, has been appointed sole general agent by the Protective, Indemnity in Cook, Lake, DuPage, Kane and Will counties in Illinois. The office has been operated continuously for more than seven years and Mr. Hummel has been in the business for 15 years.

CHANGES ON COMMITTEES

Inasmuch as F. W. Koeckert, United States manager Commercial Union, becomes second vice-president of the Western Underwriters Association, succeeding Wilfred Kurth, president of the Home, the latter becomes a member of the governing committee. Mr. Koeckert, ex-officio, is a member. Mr. Koeckert served as a committee member last year. Manager C. F. Shallcross, North British & Mercantile, retires from the governing committee and is succeeded by Vice-President C. R. Street, Great American. Mr. Street becomes chairman of the Uniform Printing & Supply Co. committee, succeeding G. H. Bell, National, who has served very efficiently for many years. President Kurth retires from the uniform forms committee and is succeeded by J. C. Harding, Springfield F. & M.

HOLC CUTTING DOWN

The HOLC is cutting down its activities in its various state and regional offices inasmuch as it is making no more loans but simply liquidating the accounts. C. B. Herschberger, Jr., state insurance supervisor for Illinois with headquarters in Chicago, is retiring from that organization. He was formerly with the Chicago Board and later was in the Cook county field for Moore, Case, Lyman & Hubbard for five and a half years.

Harvey W. Murray, Chicago insurance supervisor, is also retiring. He

was formerly western supervising general agent for the old Aachen & Munich and then acted similarly for the Universal of New Jersey.

* * *

UNIONISM MOVE FOUND

One of the western departments of the fire companies in Chicago recently was subjected to some labor disturbance. A man and his wife employed there were discharged for inefficiency. They got in touch with a good many of the employees, seeking to engender discontent. Apparently they also undertook to arouse the interest of labor unionists and the government. A representative of the National Industrial Relations Board interviewed the management and was told that the two employees were dismissed because of inefficiency and not because they were labor unionists. Apparently, this is now a closed incident.

Agitators have been seeking to cause disturbance in the east for the last several weeks. Literature has been distributed to insurance company employees in an attempt to inflame them. There is no indication, however, that insurance company employees are interested in unionism.

* * *

COMMENT ON INSURANCE STOCKS

H. W. Cornelius of Bacon, Whipple & Co., Chicago investment house, in commenting on the present market conditions for insurance stocks says that these shares have sagged with the resurgence of the stock market but not in the same proportion. Insurance stocks follow market conditions up or down but they are not speculative and hence are not subject to such sharp declines or advances. Mr. Cornelius states that when the stock market was very active and was constantly on the upturn people seemed to go into the market on a speculative basis and departed for a time from the more conservative investment field. Insurance stocks, he says, are classed as investment rather than speculation. Now that the general stock market has had somewhat of a downfall he thinks people will again seek the insurance stock market. Where a person desires security with a reasonable yield, Mr. Cornelius says there are many insurance stocks that are worth while purchasing.

* * *

STEIN NOW GENERAL AGENT

Sidney B. Stein of Chicago has changed his office from brokerage to a general agency basis and moved into larger quarters in 176 West Adams street. Open house was held last Friday.

* * *

SUPPLEMENTAL FARM POLICY

The Farm Insurance Association seems desirous of having the supplemental contract applied to farm property. Almost all farm insurance now consists of fire and windstorm combined. The regular supplemental policy was devised largely to promote windstorm insurance. The farm people, realizing they have certain rules and variations, desire the other coverages added to the joint policy with a sufficient added premium. The rating authorities balk at this and claim it is not orthodox. At this time, therefore, no progress is being made.

* * *

ADJUSTER ADE MOVES OFFICE

J. D. Ade, independent adjuster of Chicago, operating as the Equitable Adjustment Company, specializing in fire, inland marine and automobile losses, has moved to his own office in room 410 Insurance Exchange building. He has acquired larger space to facilitate handling of his increased volume of business. Mr. Ade started in adjusting work with the Western Adjustment, later going with the Underwriters Adjusting Co. He became an independent adjuster last July.

LEGISLATIVE DIGEST

Colorado—Representative McDonald has introduced a bill in the house revising the mutual laws of the state.

Oklahoma—House bill 643 advanced to third reading and final passage provides for stricter organization requirements for mutuals with the minimum of at least 20 members and 200 risks. To write compensation mutuals must have at least 20 employers covering 1,500 employees. A \$25,000 surplus is required of fire mutuals, \$400,000 if fidelity and surety is written, \$50,000 to write compensation and \$100,000 to write automobile. The maximum single risk can not exceed 20 percent of admitted assets or three times the average risk of 1 percent of the insurance in force, which ever is greater.

Maryland—General assembly is holding a special session.

Pennsylvania—The Pytko surety-fire state fund bill has been advanced in the senate and final passage is imminent. The work of recodifying the insurance laws is being pushed as rapidly as possible and it is expected that the new code will be introduced in a few days. A hearing was held on the major bills including the amendments to the company investment regulations, establishment of fire and automobile rating bureaus.

Michigan—Following to some extent a proposal first advanced by the Michigan Association of Insurance Agents, a bill has been offered by Senator Weadock, insurance committee chairman, which would permit the state administrative board to use private insurance facilities for coverage of state property in certain instances. The present fire fund law requires that all state property be insured with the fire fund.

Wisconsin—Zimny senate bill 397 adds to the regulation of reinsurance companies by requiring that they be domesticated in a state in which the license requirements are substantially the same as in Wisconsin. It also provides for a \$1,000,000 deposit in licensing Lloyds.

Wisconsin—The assembly has passed a bill increasing the present requirements for formation of town fire mutuals from 25 persons and \$20,000 of property to 100 members owning \$100,000 of property.

Wisconsin—The Wisconsin Mutual Insurance Alliance is backing a bill prohibiting agency separation agreements.

Maine—A valued fire insurance policy bill was defeated by the house by 63 to 48.

Death Takes Old Time North Carolina Official

James R. Young, 84, the first insurance commissioner of North Carolina, died Sunday at his home at Raleigh following two years illness. He retired in 1921 from the office which he had held since 1899. He became executive vice-president of the Merchants National Bank of Raleigh and later was president of the Union Trust Company. Until his retirement because of ill health he was special representative of the National Board of Fire Underwriters. He was chairman of the board of trustees of Peace Junior College. He was born Feb. 17, 1853. He was clerk of the supreme court of Vance county, N. C., for 10 years. He then engaged in the local insurance business and was general agent of the old Netherlands Life before he was appointed insurance commissioner. Colonel Young was held in high esteem by his fellow commissioners. He was elected president of the National Association of Insurance Commissioners in 1913. He was one of the foremost commissioners of his day.



SYMPHONY

OR



JAZZ

We are not
music critics

but:

in our opinion thoughts
regarding an insurance
company should carry
the undercurrent of
pleasant memories of
a good symphony. It
is our constant thought
to avoid "blare" but
rather to develop an
underlying sense of har-
mony in our agency
relations.

•
"Your Friendly Company"

**SECURITY
FIRE INSURANCE CO.**

DAVENPORT, IOWA

PROTECTION SINCE 1883

EDITORIAL COMMENT

National Accident & Health Week

NATIONAL ACCIDENT & HEALTH INSURANCE WEEK, which is being observed this week, has aroused a degree of interest in this third observance which no one would have believed possible a few years ago.

The success of the movement, inaugurated two years ago by "The Accident & Health Review," an affiliate of THE NATIONAL UNDERWRITER, has demonstrated that there is a real field and a great demand for such an observance, and that it is entirely possible to get accident and health carriers and agents of all classes to work together for the good of the business as a whole, regardless of their affiliations.

When the idea was first broached two years ago, it was received with great enthusiasm in some quarters, but with an equal measure of doubt in some others. It was carried through, however, with the idea of giving more information to the public as to what accident and health insurance is and can do and at the same time stimulating agents to greater production efforts in that field. The response was beyond all expecta-

tion. An organization was formed to conduct the second year's campaign, composed of more or less unofficial representatives of the various organizations which were interested in the development and sale of accident and health insurance. That campaign was sufficient to convince most of the doubters and this year's observance has rolled along to a degree of success which has unquestionably established it as a permanent institution.

Much credit must be given to the general committee headed by HAROLD R. GORDON and also to the local accident and health associations, which took charge of the observance in their respective cities, holding special congresses last week in Cleveland, Detroit, Philadelphia and New York, with similar special events this week in Chicago, St. Louis and other cities.

Each of the two National Accident & Health Weeks so far has set new production records and there seems to be little doubt that the present week will rise to still greater heights in that respect.

Research Laboratory Needed

At a meeting of the WESTERN LOSS ASSOCIATION Manager CHARLES F. THOMAS of the WESTERN UNDERWRITERS ASSOCIATION made a suggestion that dovetails in with what THE NATIONAL UNDERWRITER has proposed from time to time. In our opinion, the fire insurance business deserves a research laboratory that can take advantage of the experience from different departments of its activity, study the past very faithfully and intelligently, scan the future and see what are the probable courses the business may or should take within the next five or ten years.

Mr. THOMAS holds that loss adjusting companies, adjusters and loss superintendents could contribute mightily to the welfare of the business by drawing on the experience they encounter in dealing with claims. Mr. THOMAS rightly points out that this great wealth of material is now buried in the files

because the underwriting and production departments do not seek as they should the lessons that could be pointed out by loss men. As Mr. THOMAS very potently stated, this loss experience is vital and it should not be lost. It should be correlated with the underwriting and production departments for the benefit of the insurance business as a whole.

Almost all great business organizations these days have their research laboratories where experts are studying every contribution that is made to the particular business with the thought in mind of better adapting it to human and business needs. A fire insurance laboratory of this kind could well undertake an investigation into the various departments of insurance, mobilize the material and gather from it such portions that would be particularly valuable for the advance of fire insurance.

Taking the Broader View

At various company conferences when fundamental problems and vital issues are up for discussion it is unfortunate that at times it is impossible to eliminate the purely selfish considerations. It is very difficult we realize for an official to overlook the effect of any proposed movement or change in the business for

its betterment on his own organization. Because of this attitude it is often impossible to secure that cooperation which is essential in meeting urgent demands.

There are certain primary considerations that are involved in many of these issues. They have to do with the busi-

ness in a highly important capacity. It would be most salutary if it were possible for officials to lay aside as far as they can personal and purely company considerations and look at the picture from the broad general standpoint of the class of business in which they are engaged. Sometimes it seems that

through short sightedness, selfishness and greed, companies are deprived of their real rights and voluntarily set up obstacles against advancement, greater volume and higher service to policyholders. We are not getting as we should the vision of eminent leadership with a disinterested attitude.

PERSONAL SIDE OF BUSINESS

Mrs. Iva May Andrews, wife of Earl J. Andrews, superintendent of the survey department of the Royal, Columbus, O., underwent an operation in a hospital there.

John W. Fish, son of P. O. Fish of Fish & Schulkamp general agency, Madison, Wis., on graduating last June from the University of Wisconsin school of commerce at once went into the home office of the Phoenix of Hartford, without salary, for the experience he could gain. After eight months there he has returned to Madison and entered the general agency.

One of the companies in the general agency is the Central States of the Phoenix of Hartford group. During three years of his university course John Fish was active in football.

Harold A. Miller of Hinsdale, Ill., former assistant western manager of the North America group, and Mrs. Miller have been on a long automobile trip. They left Feb. 1 for Mexico City and spent six weeks driving about the southern republic. They finally embarked at Vera Cruz for New Orleans and then drove to West Palm Beach, Fla. They will drive to New York City, in a few days and then meander homeward.

D. C. Pitblado, Hartford, examiner for New York State in the Aetna Fire, head office, has completed 25 years of service with that company. He has held several positions in the office.

W. C. Stevenson of the Stevenson & Co., agency, Pittsfield, Mass., found that his associates remembered his 80th birthday. A large bouquet decorated his desk on the occasion. Mr. Stevenson has been in the agency for 43 years. It was established in 1865. He has been active in Pittsfield civic affairs and is nationally known for his work with boys.

Harvey R. Waite, president Agricultural and Empire State, accompanied by Mrs. Waite, spent a few days in Chicago. While there Mr. Waite had a visit with C. R. McCabe, still at home in Evanston, Ill., recuperating from a long illness.

Mr. and Mrs. Waite plan to go on to the Pacific Coast, stopping at Kansas City and Denver en route and will return to Watertown, N. Y., in about a month.

C. F. Koster, 68, secretary of the old Phenix of Brooklyn, prior to its merger with the Fidelity Fire of New York in 1910, thus forming the present Fidelity-Phenix of the America Fore group, and since that time in the local agency business in Weehawken, N. J., died at his home in the latter city. He was the last

of the officials of the Brooklyn institution, which in its day was one of the progressive fire companies of the country, doing an extended business and maintaining departmental offices in Atlanta, Chicago and San Francisco. Mr. Koster entered its employ as an office boy, steadily working his way up to an executive post.

E. F. Reynolds, office manager, and E. V. Youngberg, accountant, Critchell, Miller, Whitney & Barbour, Chicago class 1 agency, accompanied by their wives, will sail May 1 on the "Saturnia" for a Mediterranean cruise. They will return about July 15. The party will visit most of the European countries.

F. W. Standart of Standart, Main & Brewster, Denver general agents, is heading a charitable drive for St. Luke's hospital of Denver.

Bronzed and rugged as the result of three weeks spent on the beach of Miami, Fla., W. J. Reynolds of Corroon & Reynolds is again at his desk in New York City, dispatching business with even more than his accustomed energy.

J. B. Levison of San Francisco, chairman of the board of the Fireman's Fund group, and Mrs. Levison are on a pleasure trip throughout the central western and eastern country. Mr. Levison naturally gets in contact with the Fireman's Fund people as he goes around. He and Mrs. Levison spent a day or two in Chicago last week, then went on to Williamsburg, Va., to see the old colonial town restored. From there they will go to Washington, D. C., New York and other eastern points.

E. N. O'Beirne, manager of the southern fire department of the Automobile and Standard Fire of Hartford, Atlanta, has completed 25 years of service with the organization. One of the best known and most popular insurance men in the south, Mr. O'Beirne received numerous congratulatory messages.

Born in Dallas, Tex., Mr. O'Beirne's first connection with the companies was in 1912 when he became a general agent in Atlanta. He has been manager of the southern fire department since 1921.

A former president of the Southeastern Underwriters Association and now a member of the executive committee, Mr. O'Beirne has long been active in its affairs.

Miss Anne Elmers, daughter of Harry B. Elmers of Rockford, Ill., assistant western manager of the American of Newark fleet, is to go to Geneva, Switzerland, to spend a couple of months doing secretarial work for the League of Nations headquarters and serving as a guide for visitors. She is connected with the American committee of the League of Nations Association in New

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York City. She acts as secretary for Mrs. Harrison Thomas who is secretary of the educational committee of the League of Nations association.

Miss Elmers went to the New York office in the fall of 1935. She graduated from Rockford College that year. She is a young woman of superior ability. She is a granddaughter of the late C. E. Sheldon, western manager of the American.

Mrs. Lucile S. Owen, who has been secretary in the branch office of the Tennessee Inspection Bureau at Chattanooga for nine years, died very suddenly.

C. R. Wiselogel of Memphis, Tennessee state agent Bankers & Shippers and Pacific, died suddenly.

W. C. Mason, 75, pioneer local agent of Vincennes, Ind., died following an illness of several weeks. He generally was credited with being the man who started the first agitation for the George Rogers Clark memorial commission, which resulted in the erection of the large memorial there.

L. S. Mickelson, secretary Commercial Union, is spending two weeks in Illinois and Indiana, visiting local agencies. He conferred with J. J. Ronayne, Indiana special agent, and H. Hohenstein, Illinois state agent. He will return to the head office in New York.

F. W. Boole, prominent San Francisco broker, has left for England to attend the coronation. He and his wife plan to remain abroad for about three months. His mother, widow of the late Fred W. Boole, who was prominent in San Francisco insurance circles for many years, has been making her home abroad the past few years. Mr. Boole was tendered a "bon voyage" luncheon by associates in the Society of Insurance Brokers.

J. Gilbert Leigh, Little Rock general agent, who is president of the Commonwealth Federal Savings & Loan Association and chairman of the board of the Federal Home Loan Bank of Little Rock, has been appointed chairman of the Insured Institutions Division of the United States Building & Loan League, a newly created division. It will devote its attention to activities of the thrift and home financing institutions whose accounts are insured with the Federal Savings & Loan Insurance Corporation.

Besides being a leader in the insurance business in southern Minnesota, E. A. Storwick of Albert Lea has high standing as a dairyman and he is mentioned as one of 10 delegates to be sent from the United States to the world dairy congress in Berlin in August.

The program for the testimonial dinner that will be given for Indiana Commissioner G. H. Newbauer, May 10 is shaping up. The Insurance Federation

of Indiana which is sponsoring the event will hold its annual meeting at 10 a. m. of that day. The Frank M. Chandler cup will be presented to the person selected as, in the opinion of the committee, having rendered conspicuous service to the business of insurance in Indiana the past year. A golf tournament, with prizes, will be held at the Indianapolis Country Club during the day. There will be other athletic contests provided for those who do not play golf. As ladies are also expected to attend special provision will be made for their entertainment.

At the banquet in honor of Commissioner Newbauer, which will be served in the Indianapolis Athletic Club, Governor Townsend will be the principal speaker and a special musical program will be provided. W. J. Henshaw is president of the federation and David Layton is vice-president and general chairman of the day's program.

Ancel Earp, Oklahoma City, former president Oklahoma Association of Insurors, who for two years has led the minority faction of the board of education of that city, has resigned following his election to a second two-year term. Mr. Earp in his statement indicated he did not care to continue further as a minority member.

John S. Wittliff, veteran Port Huron, Mich., agent who founded his agency in that city a half century ago, was the guest of honor at a banquet there tendered by field men of the 19 companies represented in the agency. J. J. Hubbell, Security of Connecticut, Detroit, was toastmaster and presented Mr. Wittliff an inscribed electric clock.

Douglas Phelps of the Phelps & Co. Ware Agency, Minneapolis, is numbered among the small but growing list of insurance men who own and operate their own planes. He piloted his own plane to the Omaha mid-year meeting of the National Association of Insurance Agents and on the return trip had as a passenger S. C. Aldridge, president Minnesota association.

R. E. Verner, manager fire prevention department Western Actuarial Bureau, Chicago, was elected governor of the 40th district of Rotary International at a district meeting at Kewanee, Ill. Mr. Verner is immediate past president of the Chicago club.

W. L. Bennett, Cook county manager Hartford Fire, Chicago, accompanied by Mrs. Bennett, is taking a motor vacation in Virginia. He will return May 1. Mr. and Mrs. Bennett are visiting Washington, D. C., Charlottesville and Richmond, Va.

Edward Milligan, president Phoenix of Hartford, resigned from the board of trustees of Trinity College in that city and in appreciation of his 12 years of efficient service he has been elected a member of the advisory board. Assist-

ant Agency Superintendent Lyman B. Brainard, Hartford Steam Boiler, was elected to the board of trustees of the college. He graduated from Trinity in 1930.

H. J. Hobart of Woonsocket, S. D., and Mrs. Hobart celebrated their golden wedding anniversary April 10. All during the day many friends paid tribute to this couple. A week later to a day Mrs. Hobart's life ended. Mr. Hobart has been in the insurance business at Woonsocket for 28 years.

R. Bleeker Rathbone, who died Thursday of last week after a long illness, was the retired president of R. C. Rathbone & Son, New York City insurance brokers, and was formerly president of the old Assurance Company of America, which merged in December 1926, with the Northern of New York. Mr. Rathbone was a director of the Northern until three years ago. He resided at White Plains, N. Y.

Sam Oberkrow, 64, president Farmers Mutual of Freedom, Mo., died at his home near Linn, Mo.

Will Serve on Advisory Council of the B. D. O.



B. P. CARTER, Richmond, Va.

The directors of the Insurance Executives Association requested the American Association of Insurance General Agents to have a representative on the advisory council that serves the Business Development Office in New York City. The executive committee of the American association announces that it has selected B. P. Carter of Richmond, Va., who is a member of its executive committee, to this end. Mr. Carter is a former chairman of the American association's executive committee and conference committee, and is a past president.

ant Agency Superintendent Lyman B. Brainard, Hartford Steam Boiler, was elected to the board of trustees of the college. He graduated from Trinity in 1930.

Wirt Wilson, Minneapolis agent, has returned from a six-weeks trip through Europe.

D. L. Jones, special agent of Crum & Forster, Sparta, Wis., died suddenly while making an inspection in Superior, Wis., last Friday. He had been a field man for Crum & Forster since 1927. Prior to that time he was a local agent at Sparta. The funeral was held Sunday afternoon.

President J. R. Cooney of the Firemen's has returned to the head office after a visit to Denver and Chicago. The Firemen's group has made an excellent start this year. Premiums of the fire companies are about \$380,000 ahead of the same period last year and the cas-



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When you do business with either the Boston Insurance Company or the Old Colony Insurance Company, you are associated with an organization conducting its enterprises under the heritage of New England tradition and, in its dealings, steadfastly applying sturdy New England principles.

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Indiana Insurance Company
Associated Indemnity Corporation
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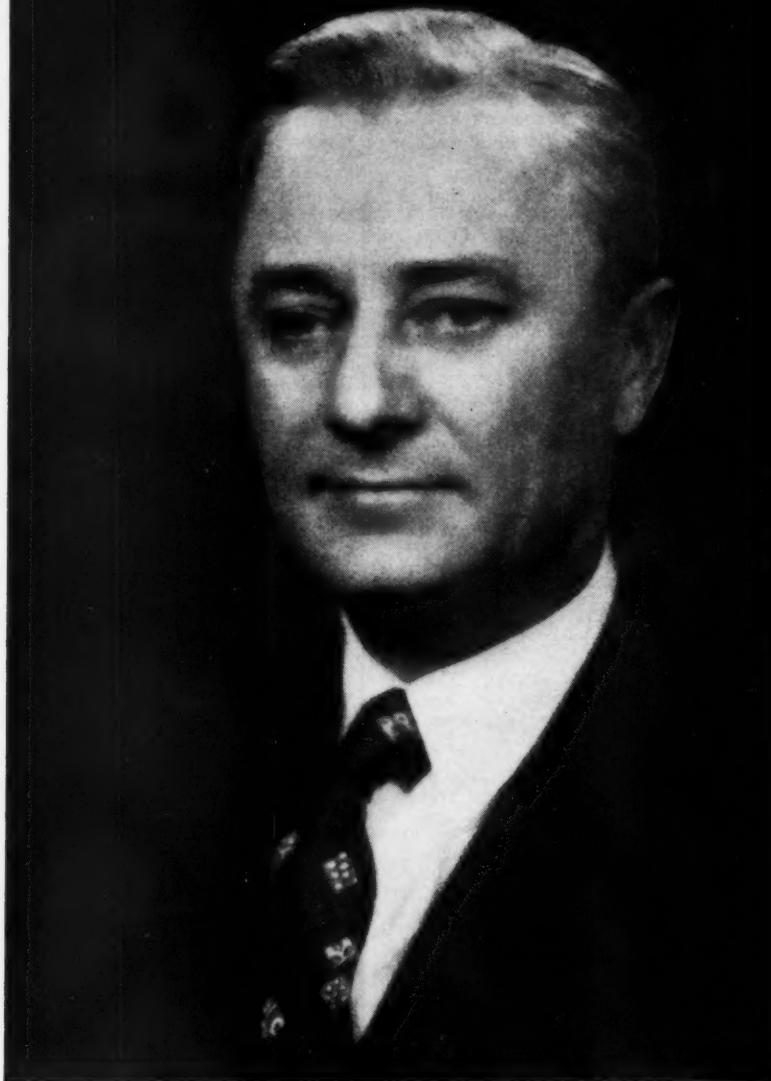
AGENTS WANTED IN INDIANA

BROKER'S ACCOUNTS SOLICITED

CONSOLIDATED BLDG., INDIANAPOLIS



A BOUQUET TO AGENT STEVE FARRELL OF INDIANAPOLIS, IND.



Agent Farrell, too, is "Cashing In" by financing new cars himself. In the brief time our Automobile Investment Corporation plan has been available, Agent Steve Farrell has closed sixteen automobile finance deals, aggregating \$7,478.70 in contracts.

This brilliant showing made by his agency firm, Farrell, Young & Davis, is one more illustration of how our agents are benefiting by the rapidly growing public acceptance of our practical, low cost automobile finance plan. Mr. Farrell and his associates, like American States Agents Mel Rentsch of Indianapolis, Will McKown of Newcastle, Todd Stoops of Indianapolis, and so many others, are protecting that "important two-thirds"—fire, theft, collision and comprehensive premiums formerly sacrificed when policyholders purchased new cars.

You can "Cash In", too! If you are not already one of our two thousand Agents in Indiana, Illinois, Michigan, Ohio, Pennsylvania, Maryland, Delaware, New Jersey, Washington, D. C., Kentucky, Tennessee, or Iowa, write or wire our home office regarding agency connections.

Dudley R. Gallahue, President.
Edward F. Gallahue, Sec'y-Treas.

AMERICAN STATES
INSURANCE COMPANY

The NATIONAL UNDERWRITER

April 29, 1937

CASUALTY AND SURETY SECTION

Page Seventeen

Accident-Health Week Holds Limelight

Notable Talks at Detroit Congress

Importance of Income Protection Discussed by Speakers at Annual Event There

ALL PHASES PRESENTED

Sales, Underwriting and Claim Angles Taken Up in Ten Addresses to Accident-Health Men

DETROIT, April 28.—Accident and health men from Detroit and other Michigan cities heard ten speakers discuss all phases of income protection at the annual sales congress of the Detroit Accident & Health Association. President R. J. Long, Great Northern Life, opened the congress. Fred Grainger, Federal Life & Casualty, congress chairman, presided at the morning session.

Life men sometimes say they hesitate to sell accident and health because of the trouble likely to arise over claims, C. O. Pauley, Chicago, secretary Great Northern Life, said in his talk on "The Relation of the Salesman to the Underwriting and Claim Departments." The idea that accident and health claims are more difficult to adjust than life or other casualty claims is entirely wrong, he asserted, pointing out that the contracts state clearly what the policyholder is entitled to receive under various circumstances, while many other types of insurance contracts are largely a matter for adjustment by negotiation. Life insurance generates three times as many lawsuits as accident and health, he declared.

Get Answer to Every Question

In getting the application, the agent should ask every question on the blank. Few people consciously misrepresent, but misrepresentation sometimes creeps into the application because the agent or the medical examiner filled in answers without asking the applicant the questions.

"Don't overinsure your prospects," Mr. Pauley urged. "If a man can make more money by being sick than well, the temptation to malinger is placed in his way. Likewise, don't underinsure them. If you do, when a claim arises the policyholder will be annoyed with the agent because he did not sell him enough insurance to cover his needs. It is you, the agent, not the company, who is blamed."

"Be careful in your selection of risks. In most cases a sick person looks sick; if you use ordinary care you can detect

(CONTINUED ON PAGE 28)

A. & H. Neglect Opens Way to Loss of Other Lines

NEW YORK, April 28.—Accident insurance as an effective door-closer to competition was emphasized by more than one speaker at the third annual accident and health sales congress sponsored by the leading casualty companies writing this type of business and held under the auspices of the Accident & Health Club of New York.

"Unless we sell accident insurance and sell it properly we leave ourselves wide open to competition," said Parbury Schmidt, Aetna Life. "If you don't sell your own friends, someone else will. Why don't you do it? If another agent writes them and has a chance to deliver a claim check he will be able to close the door against you."

R. S. Robbins' Method

Mr. Schmidt recalled the advice of R. S. Robbins, New York City broker who writes more than \$1,000,000 a year in life insurance business largely through using accident and health as an entering wedge. Mr. Robbins makes it a point to sell additional life insurance when delivering a claim check by getting part of the check for the premium or else getting a reference to a friend of the injured man, who of course is thoroughly sold on the value of accident insurance.

Mr. Schmidt said that accident insurance is the easiest way to build a clientele, especially among young men. This is particularly valuable to younger agents, since most men can get along better with people of their own age.

Also, while the young man may not be able to buy such large amounts of accident or life insurance now, many of them will be able to do so in the future.

Not Life Insurance Minded

Accident insurance is additionally valuable as an entering wedge in dealing with young men, Mr. Schmidt said, because the younger man is not life insurance minded. The thought of death is remote, but even a young man can see the threat to his savings account that a serious accident would be. Most young men, the speaker said, are systematically adding to their savings every month and the thought that all this work might be wiped out is a very disquieting one. Also, the risk of injury to a prospect before reaching 65 is far greater than the risk that he will die before 65, Mr. Schmidt pointed out.

From the agent's point of view the selling of accident insurance has certain definite advantages over life insurance; several calls are necessary to complete a life sale; information must be obtained, the examination must be made, a proposal submitted and finally the settlement arranged under one or more of the various options. On the other hand an accident policy can very often be obtained on the first call and the policy can be delivered by letter, with a bill

enclosed. Mr. Schmidt said that eight out of every 10 policies he sends out this way result in a check being returned.

Mr. Schmidt said he confines his prospects to Class A risks, high grade business and professional people and their wives. The medical reimbursement policy is an effective wedge in connection with the 3-cent a day hospital plan, whether the prospect has joined such a plan or not, Mr. Schmidt said. If the prospect is already in such an arrangement, the medical reimbursement clause can be pushed as providing protection for the period when he might be injured but would not be in the hospital.

Claim departments are fair about settling claims, Mr. Schmidt said, and agents should be fair in turn, not try to get more for their clients than they are entitled to. He quoted a letter from a lawyer client who said he was agreeably surprised at the lack of red tape in connection with an accident claim he had made as a policyholder of Mr. Schmidt's. R. W. Fairbanks, Connecticut Gen-

(CONTINUED ON PAGE 28)

Pretty Nurses Distribute "68" Buttons in Chicago



The Insurance Exchange building in Chicago was the center of much Accident & Health Week publicity this week with two pretty nurses distributing "68" buttons in the lobby, across which was hung a large banner calling attention to the week's drive. The nurses are shown with the poster which the Chicago Accident & Health Association distributed to display on automobiles during the week.

Gantz Points to Disability Market

People Ready to Buy Protection, Chicago Association Is Told

OVER 500 AT BREAKFAST

National Accident & Health Week Gathering Gives Impetus to Drive—Back Drivers' License Bill

Over 500 accident and health men, life agents and brokers attended the National Accident & Health Insurance Week breakfast sponsored by the Chicago Accident & Health Association to hear Joseph M. Gantz, Pacific Mutual general agent at Cincinnati, tell "Why I Sell Accident and Health Insurance."

A recognized market for disability insurance has been created during the last 10 years and offers a profitable field for agents, declared Mr. Gantz. He cited the marked increase in life insurance sales in the late '20s, which he attributed to the disability protection offered in the life policy. When the disability clause was withdrawn, life insurance sales began to suffer, he said.

Interested in What They Buy

"I am not interested in what I have to sell," declared Mr. Gantz, "but what people want to buy. If they want to buy disability insurance, I am going to provide them with it." Accident and health men use too many figures in their sales talks, according to Mr. Gantz. The prospect isn't interested in figures or policies, but he is interested in being financially independent and providing his family with the finer things of life. The agent should sell the privilege of carrying out these plans by protecting the prospect's income. The average prospect recognizes the fact that income means self-respect, that it takes money to satisfy his children's wants.

Davis Welcomes Visitors

Charles H. Davis, Pacific Mutual Life, president of the Chicago association, welcomed the visitors at the breakfast. A. D. Anderson, vice-president of the Chicago association, introduced the distinguished guests. G. W. Fleming, chairman of the Keep Chicago Safe committee, brought greetings from the mayor and made a strong plea for support of the automobile drivers' license bill now before the Illinois legislature. He declared that 75 percent of the drivers do not have accidents and that by eliminating the marginal drivers under

(CONTINUED ON PAGE 29)

Montana Responsibility Law Is Effective May 1

LOW LIMITS OF LIABILITY

Policy of \$500/\$1,000 Suffices Under New Statute—Nebraska Measure Is Amended

The financial responsibility law passed by the legislature of Montana goes into effect May 1 and its provisions have been incorporated in the digest of American and Canadian automobile liability security laws published by the Association of Casualty & Surety Executives.

The law is of the new "pay or stop driving" type, following the early form of the model financial responsibility law of the American Automobile Association. It requires that the operator's license of any person shall be suspended unless he satisfies within 30 days any judgment in excess of \$100 for personal injury or property damage involving an automobile judgment returned against him by a court of record in the United States or Canada. The license cannot be reinstated until the judgment is satisfied and proof of financial responsibility for future accidents is established. This proof may take the form of an automobile liability policy in prescribed form, a bond issued by a surety company or by two individual sureties owning real estate within the state of Montana or by a deposit of cash or securities with the state treasurer.

Low Limits of Liability

The only substantial variation in the Montana law from other laws is that very low limits of liability are required. Payment of a personal injury judgment up to \$100 for one person, or, in an accident involving more than one person, \$1,000 for the accident, subject to a limit of \$500 per person, and \$250 in case of property damage, is sufficient to satisfy the requirement of paying the judgment and recovering the license, although other financial responsibility must also be posted. Proof of financial responsibility, whether an insurance policy, bond or deposit, need be only with limits of \$500 per person and \$1,000 per accident for personal injury, and \$250 per accident for property damage.

Evidence of financial responsibility is also required in case a motorist is convicted of operating a motor vehicle while under the influence of intoxicating liquor or narcotic drug, homicide arising out of the operation of a motor vehicle or reckless driving resulting in personal injury or property damage, or any offense in any other state or Canadian province which would constitute the same offense.

Insurance policies are accepted from residents of the state only in companies admitted in Montana. In case of non-residents, policies are accepted on a reciprocal basis from a non-admitted company, provided the insurance company is admitted in the state in which the automobile is registered or in which the assured resides, provided the insurance company shall appoint the registrar of motor vehicles as attorney to accept service of process, make its policy conform with the state law and agree to accept as final and binding any final judgment in the state of Montana. The reciprocal provision provides that the state or province in which the company is chartered must recognize Montana companies under the same conditions.

AMENDMENT IN NEBRASKA

The Nebraska financial responsibility law has been amended to require proof of financial responsibility from any person who does not satisfy a judgment based on an automobile accident. This provision is incorporated in the driver's license law. The old Nebraska act related to specified violations of the law,

Federal Bond Acceptance List, Limits Announced

The United States Treasury department has revised its list of authorized sureties on federal bonds with the net limit on any one bond:

	Limit on One Bond
*Accident & Casualty	\$ 250,000
Aetna Casualty	1,845,000
American Bonding	165,000
American Employers	407,000
American General	190,000
American Indemnity	179,000
American Motorists	167,000
American Reinsurance	712,000
American Surety	1,350,000
Associated Indemnity	189,000
Bankers Indemnity	227,000
Central Surety	208,000
Century Indemnity	280,000
Columbia Casualty	374,000
Commercial Casualty	167,000
Continental Casualty	565,000
Commercial Standard	81,000
Employers Reinsurance	495,000
Eagle Indemnity	285,000
Employers Casualty	59,000
*European General Reinsurance	409,000
*Employers Liability	951,000
Eureka Casualty	98,000
Excess	126,000
Fidelity & Casualty	1,658,000
Fidelity & Deposit	810,000
Fireman's Fund Indemnity	359,000
General Casualty	162,000
General Reinsurance	765,000
Globe Indemnity	750,000
Great American Indemnity	482,000
*Guarantees of North America	168,000
Hartford Accident	1,790,000
Home Indemnity	319,000
Indemnity of North America	667,000
Inland Bonding	50,000
International Fidelity	185,000
Kansas Bankers Surety	50,000
*London Guarantee & Accident	520,000
London & Lancashire Indemnity	185,000
Maryland Casualty	1,007,000
Massachusetts Bonding	614,000
Mellbank Surety	1,125,000
Merchants Indemnity	161,000
Metropolitan Casualty	376,000
National Automobile	48,000
National Casualty	150,000
National Surety	878,000
New Amsterdam Casualty	698,000
New York Casualty	188,000
*Ocean Accident	474,000
Occidental Indemnity	207,000
Ohio Casualty	130,000
Pacific Indemnity	451,000
Peerless Casualty	51,000
Preferred Accident	449,000
Royal Indemnity	824,000
Seaboard Surety	267,000
Standard Accident	441,000
Standard Surety & Casualty	239,000
St. Paul-Mercury Indemnity	274,000
Sun Indemnity	244,000
Texas Indemnity	30,000
Trinity Universal	223,000
United States Casualty	341,000
United States Fidelity & Guar.	1,083,000
United States Guarantee	801,000
United Pacific	95,000
Virginia Surety	28,000
Western Casualty & Surety	106,000
Western Surety	80,000
Yorkshire Indemnity	162,000

*Reinsurance only.

such as driving while intoxicated and failing to stop after an accident and did not refer to unpaid judgments.

No specific provision is made for insurance in the Nebraska law, the old statute requiring a personal or corporate surety bond of \$2,000. The new law simply calls for "proof of ability to respond in damages," without specifying whether a bond shall be required or whether an insurance policy will suffice.

Campbell Gets Aetna Trophy

LITTLE ROCK, ARK., April 28.—N. B. DeNezzo, agency assistant Aetna Life, presented the president's trophy to the Gordon H. Campbell agency for the best agency record made in 1936. Joe S. Maryman, leading Aetna producer in Arkansas for 22 years, was toastmaster. Speakers included Omar Throgmorton and G. L. Mallory, partners in Campbell, Mallory & Throgmorton, general agents Aetna Casualty.

Agencies were scored on morale, percentage of sales increase, improvement in quality of business, lapse record, new organization record, number of men who qualify for company honor rolls, full time organization record, etc.

The trophy, a wall plaque, becomes the permanent possession of the Campbell agency.

Indemnity of N. A. Conducts Two-Day Production Session

COMPANY OFFICIALS ATTEND

Gathering at Hershey Draws 200 Agents from Pennsylvania and Nearby States; Stress Account Solicitation

Nearly 200 leading agents of the Indemnity of North America from Pennsylvania and neighboring states met at Hershey, Pa., for a two-day discussion of casualty and surety production.

After an address of welcome by Benjamin Rush, president North America companies, J. A. Diemand, executive vice-president Indemnity, began the opening session with an exposition of policy with particular reference to maintenance of adequate reserves and handling claims on a merit basis. He pointed out the Indemnity is one of the leaders in the United States with respect to relation of loss reserves to earned premiums.

H. P. Stellwagen, vice-president, followed with discussion of account solicitation versus single line development. He stated it is the company's endeavor to assist its agents in development of a comprehensive program for individual accounts. This was expanded by H. B. Montgomery, assistant secretary in charge of burglary, who discussed the new all risk and destruction forms and also by W. E. Kipp, assistant secretary in charge of the accident department, who discussed the need for personal accident and medical reimbursement.

The first day's session was concluded with motion pictures illustrating fundamental salesmanship principles. A banquet was held. Among the guests were Commissioner Hunt of Pennsylvania, and John Whiting, president First National Bank of Williamsport.

The second morning was devoted to comprehensive discussion of fidelity and surety. W. J. Schiff, in charge of the fidelity department, aided by charts, illustrated the need for fidelity and C. W. Laird, in charge of the surety department, showed agents how to develop present business.

A golf tournament was scheduled in the afternoon in which both agents and company men participated. Present from the home office were Benjamin Rush, president; John A. Diemand, executive vice-president; T. L. Smith, H. P. Stellwagen and Benjamin Rush, Jr., vice-presidents; H. B. Montgomery and W. E. Kipp, assistant secretaries; C. W. Laird, W. J. Schiff, T. F. Cass, D. W. Taylor and C. S. Roberts, superintendents; D. B. Pearce, executive special agent, and C. A. Lewis, W. A. Stark, E. A. Alley, E. J. Corrigan, E. A. Town, B. N. Stull and R. L. Stites, field representatives.

Introduce Illinois Bill for Rejected O. D. Risks

The agreed bill for handling rejected occupational disease risks in Illinois under a compulsory assignment plan was introduced simultaneously in the senate and house Tuesday. It has the support of labor, industry and insurance. The chances now are that this measure will pass and that the monopolistic state fund legislation for both workmen's compensation and O. D., which is in the hopper, will not be pressed.

The agreed bill was to have been introduced last week but industry and labor took exception to certain provisions in sections 6 and 7 regarding examination of employees to determine the extent of accrued liability and regarding exchange of information on risks. Some last minute conferences were held to overcome those objections.

The Casualty Managers Association of Chicago, at its meeting last week, had a discussion of the occupational disease situation in Illinois and of the bill be-

F. & D. Offers Combination Robbery and Burglary Form

PHRASEOLOGY IS CLARIFIED

Simplicity Principal Objective of New Form, Vice-president Iago Explains in Announcement

A new simplified combination robbery and burglary policy has been brought out by the Fidelity & Deposit. It is designed to fit the needs of the average merchant who requires interior robbery, messenger robbery and safe burglary protection. According to Vice-president J. J. Iago, it was noted in many instances merchants and business firms were not fully protected due to the existing arrangements under which only two of the three kinds of insurance could be provided in one policy, thereby necessitating issuing two separate policies, one for the standard messenger and interior robbery protection and the other the standard mercantile safe burglary. In many cases the assured, having taken one policy does not secure the other one to complete the protection.

The new "C. R. B." policy is neither broader nor narrower than the two present standard forms. The idea of consolidating the two standard forms in one is not new nor original with the F. & D., Mr. Iago said, but the policy in its regular form is drafted to fit the usual cases and a set of endorsements has been prepared so it may be fitted to unusual risks.

Probe for Moral Hazard

On the underwriting side it is required that every applicant be investigated to determine whether moral hazard exists, and he must be engaged in a legitimate enterprise and have an established, earned reputation for honesty and reliability. There must be no extraordinary hazard, such as a history of frequent robberies or burglaries, nor his place of business located in a neighborhood where robbery or burglary frequency is much higher than the general frequency in the community.

While some classes of risks are generally much better than others, Vice-president Iago says, yet these differences are now largely compensated for by the differences in rates for the new form. Exceptions are made only in a few classes such as furriers, jewelers, pawnbrokers and large scale tobacco dealers. The F. & D. does not object, however, to covering money on such risks and has prepared an endorsement for this purpose excluding all coverage on merchandise but otherwise leaving the policy intact.

Should Stress Quality

Producers have paid too much attention to rate reductions permitted through policy restrictions and limitations, and not enough to policy liberalizations available through moderate premium increases, Mr. Iago said. The standard interior robbery form limits to the interior of premises, but for an additional 50 percent the definition of premises may be extended to include also "the space immediately surrounding such structure used by assured in serving his customers." Vice-president Iago said every inside robbery policy issued to an automobile service station proprietor should be so extended, but unfortunately few are. There are numerous other extensions and liberalizations which may be effected at reasonable additional premium outlay, such as the so-called "kidnaping coverage." It is easy and infinitely more satisfactory for producers to emphasize superior quality instead of mere cheapness.

fore the legislature to create a monopolistic state fund. George H. Moloney, Hartford Accident, related the recent developments.

Compensation Is a Business Worry

Liberalization Tendency Makes System Become a Personal Insurance Program

TWO ANSWERS SUGGESTED

P. D. Betterley in U. S. Commerce Chamber Talk Urges Better Safety Methods, Specific Deductible

More thorough-going use of safety means and specific deductible coverage seems to be the answer to the current tendency of liberalizing workmen's compensation laws and providing for occupational diseases, P. D. Betterley, assistant treasurer and insurance consultant Graton & Knight Co., Worcester, Mass., leather products firm, told the insurance section of the United States Chamber of Commerce meeting in Washington this week. It will do no good for employers to take an uncompromising or a fatalistic attitude toward workmen's compensation legislation, he declared. He also stressed the need for cooperation between employers, insurers and administrators.

"The present trend is toward self-assumption of risks, but we do not believe the practice will become widespread. In fact, some now in that class may turn to insurance for at least a portion of their loss but this will come only after substantial changes in present methods. We do not see any trend toward monopolistic state funds because they do not fit in with modern business methods and have already been tested and found wanting," he said.

Prevention Best Method

He repeated accidents can be prevented and that this is about the best way to reduce cost. This means that more than ever rigid inspection and safety control practices must be followed, and general managers and production men must be taught that safety must never be sacrificed.

During 1936 law changes became effective in 30 states, 13 showing an average increase, 17 an average decrease in amount of benefits. He cited the new occupational disease laws in Illinois and Indiana, as well as the proposed legislation in Michigan and Pennsylvania. He mentioned the tendency to extend benefits for life in case of permanent disability. The Massachusetts law dealing with hazardous machinery came in for sharp criticism. He said employees must accept this and yield common law rights, which leads to abuse of power. The legislation requires every firm employing one or more persons in operating a machine which records of the industrial accident board show capable of inflicting injury, shall provide monetary compensation not less than the workmen's compensation benefits.

O. D. Developments Told

He said a major development has been inclusion of occupational disease disability in some interpretations of the act, some of this being due to hysteria over alleged silicosis victims who could not get insurance. He said if general health insurance is to become the thing, it should not be limited to industrial employees, nor should cost of the coverage be borne by industry alone. The problem should be thought through thoroughly, keeping in mind that health and accident companies usually restrict benefits to certain types of diseases and accidents. He cited a bill introduced in

Casualty '36 Experience in New Jersey Is Given

Companies doing casualty and bond business in New Jersey had a fair year, with automobile liability showing the best picture, according to compilation of the insurance department. Fidelity premiums were off, while surety made a slight gain over 1935.

Workmen's compensation premiums showed a substantial increase but losses were also much higher. Plate glass premiums and losses declined, while automobile property damage showed a gain in premiums and losses.

Accident and health business presented a more encouraging outlook, especially the former. Experience in 1936 by classes is:

Class	Premiums	Losses
Auto liability	\$16,466,196	\$6,824,533
Workmen's comp.	15,051,278	6,878,830
Plate glass	595,542	187,095
Auto prop. damage	4,479,714	1,417,569
Auto collision	175,700	64,187
Prop. damage, collision other than	155,677	18,414
Health	1,239,179	635,638
Accident	2,736,063	899,704
Non-can. A. & H.	298,448	220,875
Fidelity	1,796,977	289,932
Surety	1,382,949	303,678

New York which would be wide open in its schedule of ailments to be covered.

Another bad matter is retroactive coverage, he said. The practice of making special assessments in foundries and some other dust laden factories where a hazard is supposed to exist and not permitting the surcharges to be used in experience rating is highly discriminatory.

A good procedure would be to have individual coverage for each employee, on a contributory basis, each succeeding employer contributing his share of the reserve for final disability period. Another means of alleviating the condition is better engineering and safety practices, which can control some of the conditions that lead to occupational disease claims.

Hits Too Much Liberalization

He warned that too much liberalization in compensation laws leads to misunderstanding, disrespect for the law and jealousy as well as dubious claims. It is as necessary for the shop employee to be self-reliant in the matters of old age needs, personal accidents and other hazards commonly taken care of by personal insurance programs, as employees in other lines. Business has not yet fully sensed the cause of this tendency, although it certainly recognizes the burden, Mr. Betterley said. Mere self-assumption of risks is not the complete way out, although some firms have been forced into this because of economic pressure.

In dealing with the rejected risks problem, he referred to the Washington Silicosis Conference report which said the problem is not difficult if adequate rates can be secured for individual risks. The high price for this coverage would force industrial operators to eliminate much of the hazards. He added that there are examples of rejected risks being improved after they had been assigned and even becoming profitable underwriting units.

Discusses Retrospective Plan

He termed the retrospective rating plan a step in the right direction, but one that would fall far short of accomplishing equitable distribution of compensation costs. At least it will focus attention on the value of loss prevention. The plan will not correct underwriting losses since large employers who would qualify would have large credits due them and yet would not show the same degree of loss reduction as the smaller firm which has not done so much prevention work.

Adjusting and fact finding should be

Employees Cannot Renounce Workmen's Compensation

WISCONSIN DECISION GIVEN

State Supreme Court Invalidates the Arrangement Whereunder Workers Became "Partners"

The practice of having employees renounce the compensation law and become partners in the enterprise in order that the management might escape the burdens of the occupational disease law has been invalidated by the Wisconsin supreme court. That tribunal held the Montello Granite company liable for the payment of more than \$20,000 to two employees who contracted silicosis despite the fact that in 1933 the employees had renounced the act and became "partners." The provisions of the compensation act are compulsory according to the supreme court.

This scheme has been resorted to by several foundries in Wisconsin. It is understood that the scheme was also adopted in Massachusetts to some extent. The arrangement was usually made as an alternative to the foundry going out of business.

Calls Partnerships "Shallow"

The Wisconsin supreme court held that the so-called partnership was "shallow in its construction and devoid of partnership characteristics. The workers only went through with it in the 'pathetically hungry hope of getting back their jobs,'" the court declared.

The plant closed in 1935 and both employees were sent to Milwaukee for medical examination. The two employees who brought the action were found to have silicosis in an advanced stage. The company allegedly refused to rehire them and they filed claim for compensation.

"The Montello Granite Company does not have to stay in business," the supreme court stated. "It remains in business with an expectancy of profit. It cannot profit at the expense of social wreckage which it turns out in the form of grown men hacking themselves to death from lung disease."

"Unless silicosis can be avoided by the installation of safeguards to suck away the silica dust—or at least until the manufacturer is forced to pay for the human consequences of his output—the company ought to close shop."

Coverage for Officials

Vice-President H. J. Kennedy of the Great Lakes Casualty of Detroit calls attention to the fact that all of its liability policies, except automobile, provide coverage for the officers of a corporation. Under its insuring agreements the following is the provision:

"To insure the assured (if a corporation to include its officers as officers of such corporation) against loss from the liability imposed by law upon the assured for damages respecting bodily injury or death at any time resulting therefrom. . . ."

improved and the employer should not leave the entire negotiation to the adjuster. In arbitrating cases a hearing before assigned auditors with judicial qualifications is the most desirable method, he said. He also urged extension of the plan of the American Association of Arbitration in handling disputes over interpretation of state laws.

Executives should delegate someone of analytical mind to study workmen's compensation as it affects their plans. They should remember that liberality of spread is better than exaggeration or inflation of benefits, he concluded.

The Albert S. Orr agency, Charlotte, N. C., has been taken over by James J. Harris & Co.

Sees Compulsory Plan for A. & H.

Pennsylvania Official Says Voluntary Systems Can't Solve Problem

SOCIAL SECURITY TOPIC

Opponent of Present Methods Is Principal Speaker at Accident & Health Week Luncheon

PHILADELPHIA, April 28.—R. L. Myers, Jr., chairman unemployment compensation board of review of Pennsylvania, discussing the social security act and unemployment insurance, said at the Accident & Health Week luncheon Monday that one of the soundest criticisms of the former "has to do with its failure to make any provisions whatsoever for insecurity due to invalidism caused by sickness and accident. This is one of the major hazards to security."

He stated, too, that voluntary systems of health and accident insurance "hold little promise of solving this major social problem" because "the cost is too great for people of small means. Compulsory health and accident insurance is needed if the masses of our workers are to be protected." Some system of this sort, he predicted, will be adopted in the United States.

He urged insurance men to assume the leadership in formulating a program that will remove the threat of economic insecurity due to accident and sickness from the "every-day lives of the millions of men, women, and children who are not able to obtain this protection for themselves out of their earnings."

Admits Shortcomings of Act

Mr. Myers was very frank in admitting the shortcomings of the social security act. He said it "does not even attempt to provide a plan to enable self-supporting families of small and moderate means to budget against loss of wages and the cost of medical services caused by invalidism nor does it attempt to meet the problem of assuring reasonably adequate remuneration to doctors and hospitals."

Still another criticism of the act, he pointed out, was that it "does not take into consideration the fundamental differences between social insurance and private or commercial insurance, and applies the principles of commercial insurance to social hazards."

"It is true that the risks covered and the basis for meeting the cost of social insurance differ greatly from commercial insurance. Social insurance seeks to cover the economic hazards of society collectively, while commercial insurance protects the individual against specific risks. Furthermore, in commercial insurance the benefits paid depend upon the amount of the premium, while in social insurance the cost must be spread over the entire social structure and, in order to provide adequate benefits, contributions by beneficiaries may have to be supplemented by funds derived from general taxation."

Unemployment Insurance

Touching on unemployment insurance, Mr. Myers said:

"It must not be expected that unemployment compensation will cure all the ills of our economic body. It cannot provide for large groups of workers more or less permanently out of private employment—the unemployables, those unemployed because of technological changes, and the unemployed in stranded

(CONTINUED ON PAGE 27)

NEWS OF CASUALTY COMPANIES

Dividend of \$1,100,000 Is Ordered in N. J. Liquidation

NEWARK, April 28.—A fee of \$40,000 was awarded in the court of chancery to John Milton as counsel to Commissioner Withers in liquidation of the New Jersey Fidelity & Plate Glass, and it was ordered that a 17½ percent dividend amounting to \$1,100,000 be paid to policyholders and creditors. Last week the court ordered that \$382,000 be distributed to policyholders and the amount was paid this week. A 10 percent dividend totaling \$700,000 was ordered paid last January.

Counsel for the department told the court there was \$250,000 on hand to take care of any claims that may be made subsequently. The company has been in the hands of the department since 1932.

Empire Mutual Michigan Row

LANSING, MICH., April 28.—For the second time in less than a fortnight, Commissioner Gauss of Michigan became the target for a court proceeding brought by a mutual carrier when the Empire Mutual of Chicago sought a writ from the Michigan supreme court to force the commissioner to renew its license. By coincidence the plaintiff in the mandamus action was formerly Central Mutual of Illinois while the other proceedings, an injunction suit, was brought a week earlier by Central Mutual Auto of Detroit. Both names have appeared frequently on Michigan court dockets in the past, the Detroit carrier having unsuccessfully fought through the supreme court a few years ago the admission of Central Mutual of Chicago whose management organized the present Empire Mutual following the former's failure.

The current litigation is based on the Empire Mutual's contention that Mr. Gauss assumed an "arbitrary and capricious" position in refusing relicensing after it had been doing business in the state from Dec. 17 until the end of the licensing year, March 31.

Mr. Gauss contends that Empire Mutual, while filing a statement covering the brief period of its 1936 operations, did not have its check covering premium taxes in the department's hands before the April 1 deadline. He asserts that his contemplated action in denying relicensing had been communicated to the mutual in advance. He said his decision was based "on past experience" with the Empire Mutual's management and his sense of responsibility to the public to "serve its best interests."

The court issued a temporary restraining order on which a hearing is set for this week.

Denied California License

Application of the Postal Indemnity of Dallas for a California license has been denied by Commissioner Carpenter. The Postal Indemnity operates in its home state under a law similar to California's, governing mutual stipulated premium companies. Under provisions of the Texas law, no new companies of this kind may be admitted or authorized to operate in that state. Under the California law, no license may be granted to such a company of another state unless similar companies of California may be admitted to that state.

Prepare to Levy Assessments

LOS ANGELES, April 28.—The decision in the defunct California Highway Indemnity Exchange case clears the way for levying assessments as soon as they may be computed. There being but \$7.65 in the possession of this exchange, arrangements are now being made for the financing of an assessment levy, the publication of notice to claimants, etc.

May Avoid the Issue in the Autoist Mutual Case

ST. PAUL, April 28.—Repeated continuances in the action brought by Autoist Mutual of Chicago against Commissioner Yetka of Minnesota has led to the belief that the case never will be brought to a head. A month has passed since Autoist Mutual sought a temporary injunction to restrain the commissioner from canceling its license. From week to week the case has been postponed and though it is scheduled to come up again April 29 there is little likelihood that anything will be done at that time.

Allow Central Mutual Assessment

LANSING, MICH., April 28.—The Central Mutual Auto of Detroit will be allowed "reasonable time" to collect an assessment against its membership, according to a ruling of Judge Carr made in circuit court here in an injunction suit brought by the carrier against Commissioner Gauss.

The court made no definite disposition of the bill filed by the mutual to restrain the commissioner from interfering with its proposed assessment or taking other action involving its management.

The mutual's board has approved a 25 per cent assessment which, it is anticipated, will yield \$150,000, if fully collected. Its management admits an impairment of at least \$23,000 of its reserves while the last department check-up showed a somewhat larger deficit.

The court order stated that unpaid losses, covered by liquid assets, are about \$63,000.

Michigan Surety Report

LANSING, MICH., April 28.—The Michigan Surety increased its surplus \$65,831 in 1936, it was reported at the annual meeting here. A \$1 per share dividend will be paid April 30 to stockholders of record April 24. Three new directors were named to fill vacancies: E. K. Ellsworth, Lansing attorney, to succeed his father, the late president F. H. Ellsworth; Dr. A. S. Wheelock, Flint, and Dr. Clifford Jones, Lansing. Since the death of Mr. Ellsworth, E. C. Shields, who had been general counsel, has been president.

New Department Created

H. G. Evans, president of the American Casualty of Reading, Pa., announces the formation of a new department to be known as the "fleet and commercial department." W. B. Pike, for the past eight years with the American Automobile of St. Louis, will have charge.

The American Casualty has called a special meeting of stockholders May 17 to act on the proposed increase of authorized capital from 100,000 shares to 200,000 shares at par value of \$5 to be sold at such a price as may be fixed by the meeting, if affirmative action is taken.

Final Dividend Is Paid

A final dividend of 2 percent has been declared by the receiver of the Bristol Mutual Liability at Boston. Previous dividends were 15 and 7 percent. The total outstanding claims are \$177,136. The company was engaged in automobile insurance from 1927 to 1929, when a deficit of \$132,000 was discovered.

Thole Made Vice-president

H. G. Thole, superintendent of agents of the Seaboard Surety for a number of years, has been elected vice-president. He will continue to head the agency department. He started in the insurance business with the U. S. Fidelity & Guaranty in 1926 as production

man in the New York City office. He went with the Seaboard Surety in 1931.

Peerless Casualty Completes Move

The Peerless Casualty of Keene, N. H., has completed its financing program by the declaration of a 60 percent stock dividend. This increases the number of its shares from 50,000 to 80,000. The dividend was payable to holders of record April 19.

Casualty Company Notes

The Loyal Protective of Boston did not renew its license in Missouri this year.

Directors of the Builders & Manufacturers Mutual Casualty of Chicago have approved the issuance of guaranteed capital to the extent of \$300,000.

The American States of Indianapolis has been licensed in California with C. Kelly Brooks of Los Angeles as general agent.

Arrange for Annual Meetings

NEW YORK, April 28.—The National Bureau of Casualty & Surety Underwriters and the Association of Casualty & Surety Executives will hold their annual meetings at the Hotel Plaza here May 4. While a number of changes in the method of handling the affairs of both organizations will likely be determined, none is likely to be radical in character. The affairs of the two are in the main operating smoothly at the present time.

Can't Use Public Funds for Cover

Attorney-general Jackson of Indiana has given the opinion that counties may not use public funds to purchase liability insurance for trucks and vehicles. The issue arose because Allen County had been forced to pay damages arising from a truck accident several years ago. Jackson pointed out that these damages were collected under a 1929 act which has since been repealed.

Arax Indemnity in Canada

Having been licensed in Canada the Arax Indemnity of New York has appointed V. W. Gerrish, Toronto, its chief agent for the Dominion.

Maryland Answers Bar Citation

ST. LOUIS, April 28.—The Maryland Casualty, E. C. McDermott, its claim manager, and G. O. Streit, assistant manager, in their answer filed with the St. Louis court of appeals to proceedings instituted by the Missouri Bar Association to enjoin the company, McDermott and Streit from alleged unauthorized practice of the law, stated that only licensed attorneys pass on legal matters arising in connection with the company's business in Missouri. It names eight St. Louis attorneys who are retained to give legal advice and handle litigation in adjustment of claims, and a similar number of lawyers elsewhere in the state.

The answer says neither the company nor its agents or employees have committed any act in violation of the Missouri statute regulating the practice of law.

NEW ACTIONS ARE BROUGHT

KANSAS CITY, April 28.—The Liberty Mutual, its manager Paul C. Kinsey, four claim department employees, and its Kansas City claim superintendent, A. M. Stephenson, and the Employers Liability and Loren Buckner, claim superintendent here, were cited by the Kansas City court of appeals to appear May 6 and show cause why they should not be held in contempt of court for allegedly engaging in the unlawful and unauthorized practice of law. Judge Shain issued the citation after Boyle G. Clark of Columbia, general chairman of Missouri bar committees, had filed information charging the companies and their representatives with illegally practicing law. Clark also asked a permanent injunction.

None of the employees cited are attorneys, the information asserted.

In circuit court Clark has filed petitions for injunctions against C. T. McQuinn, doing business as the Missouri & Kansas Adjusting Company, and against D. M. Steward, doing business as the Credit Service Company, both Kansas City concerns. Both are collection services. Clark contends they are illegally practicing law.

W. A. Alexander & Co. to Hold a Sales Congress

W. A. Alexander & Co. of Chicago will celebrate its 52nd anniversary in business at the Union League Club in that city next Monday. In the morning there will be a sales congress and then will follow a luncheon. At the function will be members of the firm, the salesmen, those who have been more than 25 years in the organization and department heads. There will be an analysis of the plans that have been followed during the last year and the results of studies that have been made of the experience will be given as a basis for the course for the next 12 months. For instance, the firm has made a careful survey of its clients that carry only one policy or one line of insurance with the office. It will be pointed out that an effort should be made to program the insurance of such policyholders and edge in on the other classes.

W. A. Alexander & Co. have two sales managers. J. P. Murphy is the general sales manager for all lines other than life. J. H. Sherman handles the life production department. The Alexander office has carried to a high point of efficiency merchandising plans to sell insurance. It has its own soliciting organization and depends very little on brokerage.

Dauchey Tells Realtors of Responsibility for Accidents

Speaking before the property management division of the New Jersey Association of Real Estate Boards in Princeton, Horace Dauchey, associate manager Travelers, Newark, discussed "Who Is Legally Responsible for Accidents and How to Prevent Them." While the liability of real estate firms for injuries to the public is varied and complex, he said, most of the cost of proper insurance protection can be passed along to owners of property, contractors and others.

He emphasized the necessity for requiring public liability on all properties owned or managed, with the real estate firm named as an additional assured. Contractors should also be required to carry compensation and public liability, with certificates of insurance filed with the real estate firm. He warned realtors that one of their greatest liabilities arises from the operation of employee-owned automobiles on company business.

Where structural alterations are undertaken on owned or managed properties, alteration endorsements should be added to the policies.

Accidents Not Acts of God

W. H. Cameron, managing director National Safety Council, Chicago, told the First International Safety Conference in Amsterdam, Holland, this week, how this country had reduced accident prevention to "a veritable science of safety." "America," he said, "was considerably slower than some other countries to start a scientific approach to the accident problem. However, although we failed to understand it for years, we in America have come to full appreciation that accidents, at work or play, are not so-called 'acts of God,' but that they are caused by preventable conditions, habits, practices. We now have unshakable conviction that accident causes are man-made and that a man-made problem can be solved by men and women."

tions for injunctions against C. T. McQuinn, doing business as the Missouri & Kansas Adjusting Company, and against D. M. Steward, doing business as the Credit Service Company, both Kansas City concerns. Both are collection services. Clark contends they are illegally practicing law.

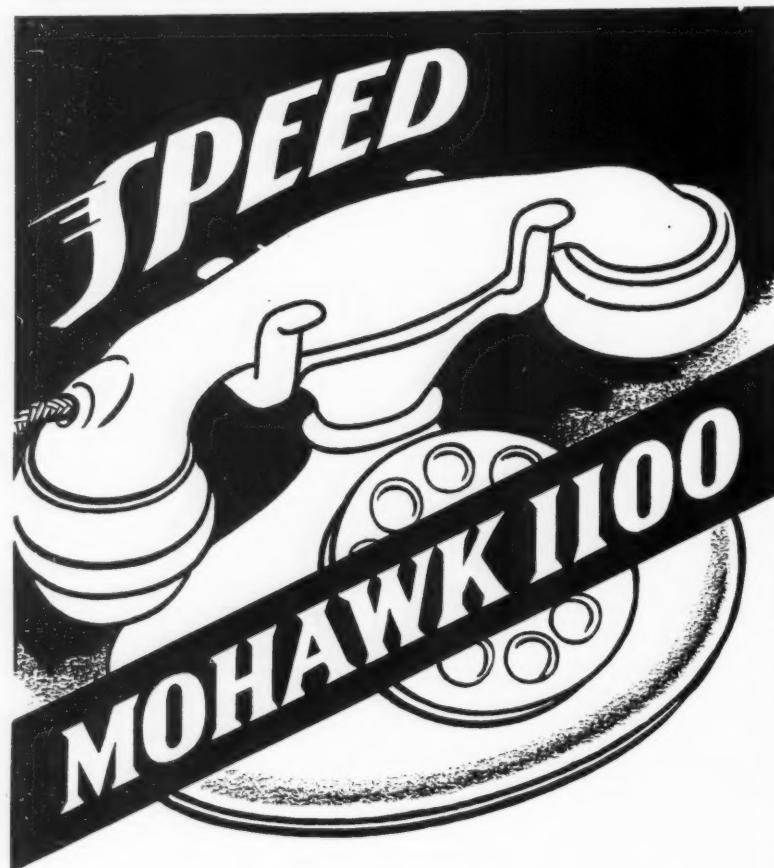
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CHANGES IN CASUALTY FIELD

Gee Is Indianapolis Manager

Chicago Surety Head of Metropolitan-Commercial Takes Place of J. K. Landers

H. M. Gee, surety manager in the Chicago office of the Metropolitan Casualty and Commercial Casualty, has been promoted to Indianapolis branch manager of those companies, with supervision of the entire state. He takes the place of J. K. Landers, who has taken the representation of several companies, operating as Landers & Landers.

Although Mr. Gee has specialized in the surety field in Chicago, he is well acquainted with the casualty lines. He is a high grade, informed insurance man, who commands respect.

He graduated from Rhode Island College in 1923. His first insurance service was with Aetna Casualty as special agent at Hartford. In 1927 he went with Standard Accident in the New England field. In 1929 he joined Commercial Casualty in its Cleveland branch in charge of the surety department. While there he served as vice-president of the Surety Association of Cleveland. He was transferred to Chicago as surety manager last year.

In Indianapolis, Mr. Gee will have the title of resident vice-president.

George Patterson succeeds Mr. Gee as surety manager in Chicago. He has been in the surety department there about two years. Previously for about 10 years he was at the Newark head office.

Aetna Casualty Promotions

The Aetna Casualty & Surety announces two changes in its surety department field. D. D. Templeton, formerly superintendent of the bond department in Harrisburg, Pa., is now superintendent in Buffalo. A. H. Bent, formerly special agent attached to the Springfield, Mass., office, succeeds Mr. Templeton as superintendent in Harrisburg. Mr. Bent is a native of New Haven, a graduate of Bowdoin College in 1930 and has been with the Aetna Casualty six years. Mr. Templeton graduated from the University of Washington in 1928 and became an Aetna Casualty employee shortly afterward. Both Mr. Templeton and Mr. Bent are graduates of the special home office bond training school.

Goan to Soevig & Hiscox

MILWAUKEE, April 28.—Lloyd H. Goan, assistant manager of the Travelers casualty department here, has been appointed manager of the casualty department of Soevig & Hiscox, Milwaukee agency. He has been with the Travelers here nine years. Previously he was an educator in several Wisconsin cities, following his graduation from Lawrence College at Appleton, Wis., and post graduate work at the University of Wisconsin.

P. H. Wright with Glens Falls

As aid to L. M. Schnoor, manager of the Glens Falls Indemnity for Ohio, the company has appointed P. H. Wright field representative. He has had ten years' experience in the Ohio territory. He will make headquarters in the Ohio office in the A. I. U. building, Columbus.

Hugh Millard With A. & C.

DETROIT, April 28.—Hugh Millard, who has been with the Gorman & Thomas agency of Detroit for some time, has joined the Accident & Casualty of Switzerland as special agent. At one time he was manager in Chicago for the old Federal Surety.

Becomes Indiana State Head

Landers & Landers Named as Manager in That State for the Standard Surety & Casualty

NEW YORK, April 28.—A highly important field appointment just announced by President F. G. Morris of the Standard Surety & Casualty of this city is that of Landers & Landers of Indianapolis as state agents in Indiana for its fidelity and surety branches.

The Landers office, one of the best known and progressive in the state, has represented the Metropolitan Casualty and Commercial Casualty for a number of years, during which time it has built up an effective business-producing organization throughout the territory, handling the risks of local representatives in a manner that elicited warm commendation from them and from their clients. The active figure in the agency is Jackson K. Landers, his brother, H. S. Landers, having been called from Indianapolis, where he served as vice-president and general counsel of the Metropolitan Casualty and the Commercial Casualty for a number of years, to become president of both companies in 1932. Landers & Landers will open new and attractively appointed offices in the Merchants Bank building, Indianapolis.

Jackson Landers desired to open a general agency rather than be salaried manager of the two companies, which position he has held.

Kuhn in Charge at Cleveland

C. H. Kuhn of Buffalo will become manager of the Cleveland branch of the Fidelity & Deposit May 1.

French to Accident & Casualty

Harvey French has been appointed special agent at Los Angeles for the Accident & Casualty. He was formerly special agent of the Pacific Indemnity.

PERSONALS

George E. Corby, manager of the Aetna Casualty & Surety Cleveland office, has completed 30 years of service with the organization. He was born in Erie, Pa., and first went with the Aetna Casualty in 1907 when he was hired as a stenographer by Manager W. G. Wilson at Cleveland. Since that time he has steadily advanced to his present position as manager and successor to Mr. Wilson.

Mr. Corby is chairman of the insurance committee of the Ohio chamber of commerce.

Ogden Davidson, assistant U. S. manager of the Accident & Casualty, is on the circuit, visiting Cleveland, Detroit, Chicago, Indianapolis and Cincinnati. Neal Bassett, U. S. manager, has not yet returned from Europe.

Guy T. Warfield, Sr., president of the Warfield-Dorsey Company, general agents of the Aetna Life affiliated companies in Baltimore, died after a long illness. Those attending the funeral from the home office included E. C. Bowen, secretary; T. D. Olmstead, assistant secretary, and R. C. Larson, home office representative.

A native of Kearneysville, W. Va., Mr. Warfield attended Brookville Academy, Montgomery county, Md. In 1896 he was employed by E. E. Steiner, Aetna Life general agent in Baltimore, and in 1903, when the E. E. Steiner

"So You're Going to Buy a Car"

A LETTER FROM A FATHER TO A SON



DEAR JIM:

So you're going to buy a car!

Neither your mother nor I were surprised at your letter announcing the plan. We had been expecting it. And we are not going to try to dissuade you. She both likes and dislikes the idea, hopes it means more frequent visits from you, fears about accidents. I'm conceited enough to think your chances of accident are below average—I taught you to drive. They will be, if you always drive the way you do when I'm with you, even though I may have taught you my shortcomings as well as my virtues as a driver.

If you want a car as much as anything in the world there's no good reason why you shouldn't have it. You seem to be fairly solid in your job and you are earning enough now to support a car. It's better to have a modest car with good brakes, good tires, etc., than—go ahead and finish the sentence yourself. You've heard it from me before.

And don't believe that it's sensible to economize on insurance, either.

You didn't say whether you were going to pay cash or instalments for this car. If the latter, the dealer will see that you carry some kinds of insurance. That will guarantee him his unpaid balance if the car is burned, stolen or wrecked. While that insurance will give you some protection as the payments increase your share of ownership in the car, it isn't the kind of insurance you need most. What you should have above all things (seeing you already have an accident policy) is liability insurance. Some insurance agent, maybe several of them, will tell you just that, but they may not be too confident that you will believe it.

Don't let any of your young friends tell you that you don't need such insurance because "you have nothing to lose". Maybe you haven't much in the bank, at least you may not have after you buy the car. Maybe you don't own a home. Maybe you have no stocks or bonds. But you do have something to lose if you have an accident in which you are at fault or partly at fault. As I said, I think you are a pretty good driver but no one can be a perfect driver 100% of the time. We all make slips and errors in everything we do.

You have several things to lose. For instance, your right to drive. The laws of many states rule off the road the drivers who have accidents and can't pay when it's their fault.

You will have the car to lose, too. It's pretty easy for a man to have a car attached. And your pay can be attached or garnisheed, too.

And then there's your self-respect. Just what kind of fellow would you think you were if in a moment of temporary negligence you hit another young man, about your own age, who was struggling to support a wife and a baby and your accident put him in a hospital where he couldn't earn for months and months? Yes, you have several things to lose and they are worth insuring.

And when you come to buying that insurance be sure the agent is the kind of man who will go out of his way to be helpful if you do have an accident, and be sure the company is the kind that will have an experienced man on hand when and wherever the accident happens. One of the best values I get out of all the insurance I carry is the sense of security it gives me. I may shop for things but I shop to find what I want at a right price, rather than merely for the lowest price. I never buy just because the price is low. When it comes to insurance I make certain that I'm getting quality.

So get your car with our blessing and enjoy it. You'll enjoy it more with good insurance than without.

Yours

Dad

MANY of the new cars are in the hands of young people who never owned cars of their own before. Many have never had the subject of automobile insurance presented to them in the manner that induces men to insure. The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford, Connecticut.

Company was formed, Mr. Warfield was taken in as a partner. He became president of the company in 1919 and in January, 1924, Warfield-Dorsey Company was organized.

Mr. Warfield leaves two sons, T. P. and Guy T. Warfield, Jr., both of whom are connected with the agency and will carry on the business.

W. J. Ahearn of New York, vice-president Great American Indemnity, is making an agency trip through the south.

R. M. Clark, first deputy in the New York department, who is leaving in a few days to become comptroller of the Continental Casualty and Continental Assurance, was guest of honor at a dinner in New York given by the staff of the complaint bureau of the New York department. When Mr. Clark first joined the department, he supervised the work of that bureau. Superintendent Pink attended.

Mr. Clark was presented with a desk set by Superintendent Pink in the presence of the New York department staff.

Benjamin A. Miller, 45, production manager of the United States Casualty for Massachusetts, and connected with the company for 23 years in Boston,

died of peritonitis, following a ruptured appendix. He was born in Scranton, Pa., and began his insurance career with the Massachusetts Bonding. After a year at the home office of the United States Casualty he was assigned to Boston in 1914, specializing in accident and health. He was recently elected secretary of the Accident & Health Underwriters Association.

George B. Smith, chief claim superintendent Monarch Life, has been on a western trip, visiting offices and agencies. He went to California, Kansas City, and stopped in Chicago before returning to the head office in Springfield, Mass.

President **A. N. Kemp** of the Pacific Mutual Life and Mrs. Kemp are taking a two weeks trip. They stopped along the way to New York City and spent a day or so in Chicago. Mr. Kemp has had a strenuous experience and has closely applied himself to his work. Vice-president Asa Call went away for two or three weeks to get rested and now President Kemp is seeking diversion from his arduous duties.

Three advertisements of the **Maryland Casualty** in its 1936 campaign were accepted for exhibit in the class maga-

zine group at the exhibition of advertising arts, sponsored by the Art Directors Club, New York. That selection represented 25 percent of the complete Maryland Casualty campaign. It is the largest proportion of illustrations in a campaign ever selected for the exhibit.

H. F. Fritz, automotive safety engineer at the Zurich United States head office, Chicago, died of a heart attack. He had been with the Zurich since 1930 and before that was connected with an elevator company.

Richard D. Searles, Chicago manager of the Fidelity & Deposit, is now back on the job, after having been in Florida several weeks seeking to recover from an infection that was difficult to treat. He is now in much improved health.

F. W. Sinclair, head of the Sinclair Agency of New Orleans, was guest of honor at a dinner in his city, the occasion being the 25th anniversary of his affiliation with the Travelers as representative for Louisiana and Mississippi. Harvey May, New Orleans manager of the Travelers, was toastmaster.

The insurance business of the **Church Realty & Investment Company**, Jefferson City, Mo., has been taken over by the W. H. Steininger agency.

SURETY

Cochran Continues His Surety Attack in Highway Bond Bill

LINCOLN, NEB., April 28.—Governor Cochran has asked the legislature to pass a bill to permit the state highway department to award contracts for construction and repair of state roads without requiring contractors to give bonds. The governor says that New York has such a law, and that it has resulted in large savings in highway construction costs.

The governor estimated that in the 14 years he has served as state engineer and governor he has approved bonds which called for the payment of over \$1,000,000 in premiums, all paid in the final analysis by the state. Losses on these bonds have been comparatively small, indicating a profitable line of business for insurance companies, he said.

The committee in charge of the governor's bill submitting a constitutional amendment that would permit the legislature to set up a state bonding fund for all public officers is deadlocked, and the present indications are that it will die in committee, unless the senate itself votes it out of the hands of the committee and places it on the calendar. Opposition to the bill combined with lateness of the session, adjournment being likely by May 5, are counted upon to prevent any final action by the senate.

PETERSON ATTACKS BILL

In the hearing on the governor's constitutional amendment making it possible to provide for a state bonding fund, C. Petrus Peterson, attorney for the bonding companies when they successfully challenged the constitutionality of the 1935 act, declared that the state bonding proposition is fundamentally dishonest. It implies no taxes will ever be levied to pay obligations incurred by the fund. However, if the fund becomes involved beyond its capacity to pay, tax money will be necessary to pay the loss, he said. Unless the state vouches for the integrity of its office holders, it will imply a false sense of security.

As an example of the difficulties a state fund runs into, Mr. Peterson cited the ill fated Nebraska bank deposit guarantee law. It was easy to operate that fund until it ran short, said Mr. Peterson. The state bonding fund would run into the same difficulties as there will be no selection of risks or sound underwriting, he said. It would have unlimited liability. No large bonding company would write a \$1,000,000 bond for the state treasurer or \$2,000,000 for the Douglas county (Omaha) treasurer except by having other companies participate with \$100,000 limit for any one company, he said.

Governor Cochran issued a statement in answer to Mr. Peterson's argument saying that the public officers are widely distributed as are state buildings, that the distribution of risk principle is the same as in privately written companies. He said that a bond from a surety company is not absolutely secured against loss as there have been failures of bonding companies.

First Kansas Beer Bond

J. W. Hull, vice-president of the Meade Investment Co., Topeka, Kan., agency, issued the first license and permit bond under the new beer tax measure which was passed by the Kansas legislature this year making it legal to sell 3.2 beer in that state. The bond was issued in the National Surety for the Stark Produce Co. of Topeka. There are about 300 beer wholesalers in Kansas and nearly all of them are expected to make application for licenses before May 1 which is the date on which both the tax and regulation acts go into effect. The retailers do not

The steady, sound growth of this
Company reflects the confidence
and satisfaction of its increasing
number of policyholders and agents.



BANKERS INDEMNITY
INSURANCE COMPANY
Newark, New Jersey

Casualty Affiliate of The American Group

REINSURANCE

CONTINUED USE IS THE
BEST PROOF OF SERVICE

WE MEASURE SUCCESS
NOT SO MUCH BY OUR
GROWTH AS BY THE LONG
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have to post a bond but will be required to send to the state the tax money for the goods on hand as of May 1. Thereafter the tax will be collected from the wholesaler, hence the required bond. The tax is 5 cents a gallon.

Application of Term Rule

George W. Carter of Detroit, in a talk at the mid-year meeting of the National Association of Insurance Agents urged that public liability be offered on the term basis if desired the same as some of the other casualty lines. He claimed there is no reason for not doing this, pointing out the fact that burglary, plate glass, owners, landlords and tenants, contractual, elevator liability policies are all written on the term plan as is products liability in connection with OL&T. Teams liability is also written on the term plan.

Many will agree with Mr. Carter that the term rule should be available for public liability although in many cases public liability is written in connection with workmen's compensation and the latter is not eligible to the term rule.

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WORKMEN'S COMPENSATION

Must Pool Indiana O. D. Risks

Attorney-General Rules Compulsory Compensation Assignment Plan Applies to Disease as Well

The Indiana attorney-general has given the opinion that the law providing for compulsory assignment of workmen's compensation risks in that state applies to occupational disease business as well. Some company executives express doubt that this official is on solid ground in arriving at such a conclusion. Some executives take the position that they might as well agree to an O. D. compulsory assignment plan in Indiana immediately because such a pooling of hazardous business would be sure to eventuate sooner or later. However, others fear that united action may be difficult to achieve. Some companies may desire to escape liability and contest the attorney-general's opinion. If the dissenters were successful, that would mean that the companies that "went along" would have accepted more than their share of responsibility.

Apparently this opinion of the attorney-general was timed to precede the governor's proclamation, making the new Indiana O. D. act effective. Unless a compulsory assignment plan were in effect, a good many employers would be left in the lurch should the law be declared effective in the near future. Under the law, which is almost identical to that in Illinois, the employer is deprived of his common law defenses if he elects not to come under the regular O. D. compensation set up. Should he elect to come under that set-up, he might not be able to get insurance. He does have some leeway because of the provision that there shall be no compensation for occupational disease maturing within 60 days after the law becomes effective.

The Indiana legislature has now adjourned and it will thus be impossible to have a law passed providing for the pooling of rejected O. D. risks by the time the O. D. law becomes effective should the companies decline to proceed in accordance with the attorney-general's opinion.

Stock company people had a meeting in New York Monday to discuss whether to go along or to contest the attorney-general's opinion. They did not reach a decision. The company representatives went to Indianapolis for meetings Tuesday and Wednesday. They were the members of the committees of the Indiana bureau of the National Council on Compensation Insurance.

The meeting dealt with determining policy provisions and rates. Action in Indiana will follow Illinois closely except as to possible minor details due to slight variations in the act, but nothing up to the moment is definitely settled.

Four stock and four mutual companies compose the Indiana governing board: Travelers, Aetna, U. S. F. & G., Employers Liability, Lumbermen's Mutual Casualty, American Mutual, Liberty and Hardware Mutual, G. V. Fuller, secretary National Council, and one or more members of the eight companies were present. Commissioner Newbauer presided as chairman.

The occupational disease act becomes effective upon proclamation by the governor about June 1. Insurance companies will be prepared to furnish insurance by that date, it is stated.

New Jersey Rate Reduction

NEWARK, April 28.—A 3 percent reduction in New Jersey compensation rates effective June 30 has been recommended by the rating and inspection bureau and approved by Commissioner Withers.

One industrial premium rate is increased; 32 classes continue unchanged.

The remaining 538 active codes, omitting the (A) rated classes, have been decreased in amounts varying up to a maximum of 11 percent.

The form of coverage, extension endorsement, table of limits and premium rates for employer's liability insurance for occupational diseases not included within the compensation act will continue without change. The industrial compensation rating schedule and the foundry rating schedule for occupational disease hazard are both continued for the present without change of structure, rating values or rules of procedure. There is no change in expense loading, rate intervals, catastrophe loadings, minimum premium formula or special values or in the loss and expense constants. No changes are presently contemplated in respect to the vessels schedule or the key rates of the chemical and dyestuff rating plan.

Illinois Rejected Risks Results

Premiums on assigned compensation risks in Illinois last year amounted to \$12,313, according to the report just issued. Losses paid amounted to \$3,415 and outstanding losses were \$2,927. The loss ratio was 51.5 percent. Seventy-two risks were assigned. Lumbermen's Mutual Casualty had premiums \$3,178 and losses \$3,277; U. S. F. & G. had premiums \$1,475 and losses \$30; Maryland Casualty had premiums \$874 and losses \$15; Zurich had \$831 in premiums and \$310 losses. Those were the largest writers of assigned risks.

During the period that the assigned risk plan was in effect from August, 1933, to Dec. 31, 1936, total premiums were \$83,060, paid losses \$32,080 and outstanding losses \$7,302. The loss ratio was 47.4 percent. There were 493 risks assigned and 260 of those risks were written. Lumbermen's Mutual had premiums \$13,971 and losses \$6,798; U. S. F. & G. had premiums \$11,541 and losses \$6,207; Travelers had premiums \$4,651 and losses \$534; Zurich had premiums \$4,545, losses \$1,574; Fidelity & Casualty had premiums \$4,503 and losses \$4,440.

Report on Oklahoma Fund

OKLAHOMA CITY, OKLA., April 28.—The Oklahoma state fund has paid claims of \$896,026 in the three years of its operation and shows a profit of about \$33,000, the report of John Rogers, state examiner and inspector, shows. Compensation awards to workers in coal mines and warehouse industries were more than total premiums paid by this class. The largest volume of claims was filed by employees of oil and gas industries, totaling \$437,578, construction workers coming next with \$309,535.

Report on Assigned Risks

MINNEAPOLIS, April 28.—James F. Reynolds, general manager Minnesota Compensation Rating Bureau, reports 120 assigned risks the first three months, 93 being new and 27 renewals. He reported that 39 risks which normally would be reported as expiring in June, 1937, either are being solicited as direct business by members of the bureau or the assigned policies have been cancelled.

O. D. Act in Effect

ROSWELL, N. M., April 28.—District Judge McGee of Roswell has removed his objections to the occupational disease clause in the New Mexico state compensation act. His action clears the way for operation of the act. Judge McGee, who was the last judge objecting to the clause, opposed the limitation section.

Send 10 cents for **Insurance Test Selling Plan**, F. C. & S. Bulletins, 420 E. 4th St., Cincinnati.

LEGISLATIVE DIGEST

AUTOMOBILE

Ohio—The house has passed a bill to require school buses to be protected by liability insurance covering injuries or death of pupils.

California—The Daley bill, most likely three compulsory automobile insurance bills presented to the legislature this year, has been laid aside and the other bills will be permitted to rest in the records without action. The motor vehicle committee of the assembly decided to withhold action following recital of the Massachusetts experience by D. W. Burbank, San Francisco insurance attorney.

COMPENSATION

Michigan—The Nagel house bill seeks reliable data as to the scope and frequency of occupational diseases by requiring physicians encountering such ailments in their practice provide the department of health with full information.

ACCIDENT AND HEALTH

Michigan—Senators Munshaw and Palmer are co-sponsoring a bill legalizing non-profit hospitalization associations.

Wisconsin—A state health insurance system is proposed in the Biemiller assembly bill.

GENERAL

Michigan—Senator Jones of the insurance committee, is sponsoring a bill permitting issuance of surety bonds to cover "warehouse receipts, bills of lading, gold, platinum, silver and other precious metals, * * * jewelry, watches, necklaces," etc., and against damage, other than by fire, to vaults, safes, fixtures, etc., in a "robbery, burglary, holdup, theft or larceny." In addition "forgery" would be added to the coverages under the clause pertaining to loss or damage by "burglary, theft, or house breaking."

SURETY

Ohio—The governor has signed a bill which requires live stock dealers to give bonds.

ADJUSTMENT OF AUTOMOBILE ACCIDENT CLAIMS

A new and practical book for adjusters and claim agents, written by an experienced attorney. 223 pages of which 147 are devoted to exposition of what and how to do in adjusting claims and 76 to explanation of the basic legal principles involved in determining liability and defenses.

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Sees Compulsory Plan for A. & H.

(CONTINUED FROM PAGE 19)

areas where more or less permanent maladjustment exists between the labor supply and labor opportunities. Nor can it satisfy the requirements of depression unemployment. The aim of unemployment compensation is to meet normal unemployment conditions."

Commissioner Hunt, who was to have been one of the speakers at the luncheon, was detained in Harrisburg. Speaking for him, J. A. Sexton, research director of the Pennsylvania department, said no compulsory health insurance measure will be passed at the present session of the legislature. However, a group hospitalization plan is contemplated, one which would cost the individual about \$10 a year. A considerable portion of his talk dealt with automobile accidents.

C. Z. Gordon, Jr., of the United Campaign made a plea for help in the drive for funds on the ground that it was insurance of proper childhood for the children of the tenement districts.

John F. Leibig, president Philadelphia Accident & Health Club, presided. Some 200 company officials, agents and brokers attended.

Philadelphia opened Accident & Health Week with the largest radio program of any city in the country, having 16 broadcasts listed. These are over four stations and call for at least two periods a day.

PHILADELPHIA CONGRESS

The value of accident and health insurance to producers in every branch of the insurance field was emphasized at the sales congress in Philadelphia, sponsored by the Accident & Health Club there. John F. Leibig, co-manager Continental Casualty and president of the Philadelphia club, Philadelphia, opened the congress and W. G. Payne, Employers Liability, chairman of the educational committee, presided at the rest of the sessions.

E. F. Peake, president Peake Brothers, told of the important part accident and health insurance had played and still plays in building up the business of his office. He emphasized the possibilities that it offers of securing contacts with a large clientele and of establishing an intimate relationship with the buyer. He advocates selling only the amount of insurance that the buyer can readily handle, filling in any possible gaps in the insurance program at a later time.

He outlined the possibilities of a form of accident and health coverage which would parallel business life insurance, with the premium paid by the employer on key men, reimbursing the firm for salaries that are continued during disability, but providing that medical reimbursement benefits go direct to the

employee. He said that proposals which would bring governmental agencies into this field can best be combated by an aggressive effort to extend the benefits of disability coverage to a larger field.

An unusual record of achievement was recited by Ben Brier, one of the successful producers of the Continental Casualty in Philadelphia, who has been totally blind for a number of years but has overcome that handicap by hard work and thorough preparation for the business of insurance selling. He spends 14 or 15 hours daily in solicitation and has found it entirely possible to make a good living for his family.

He has found that disability insurance stays on the books longer than any other form, providing in addition a substantial renewal income. He has also been quite active in the life insurance field and has found great impetus given to the sale of accident and health coverage by the changes made by the life companies in their disability contract.

Sell Fat Man After Meal

S. C. Carroll, vice-president Mutual Benefit Health & Accident and chairman executive committee Health & Accident Underwriters Conference, spoke on "Facts, Figures and Frauds." The "figures" part of his talk proved to be somewhat of a surprise. Instead of dealing with statistics, he told of a survey conducted in regard to the best time for selling stout or thin prospects. It showed that the so-called fat man will give a much more favorable reaction after he has had a good meal, while with the thin one it does not make so much difference. He favors the "canned" sales talk. If the salesman knows what he is going to say, he is in a much better position to meet any situation or opportunity that may arise in the interview.

Hits Qualification Acts

Mr. Carroll took a rap at agency qualification statutes generally. He insisted that the state should not attempt to say who might or might not be employed as an agent, unless the state were at the same time willing to assume the responsibility if the agent went wrong.

"There are plenty of good laws holding the company liable for the acts of the agent," he said, "and if the company is liable, it ought to be free to negotiate with the agent for his employment, for if the company's judgment proves wrong, it must take the loss. The agents and the companies ought to get together and handle this thing themselves."

He said that the observance of National Accident & Health Week has helped to bring the companies closer together and eliminate objectionable competitive tactics.

S. Z. Goodstein, co-manager Continental Casualty, was unable to be present

on account of illness in his family and the paper which he had prepared was read by E. A. Kenney, United States Fidelity & Guaranty, chairman of the Philadelphia Accident & Health Week committee. He pointed out the especial need that the man of smaller income has for protecting that income and the fact that compensation insurance gives only a very limited protection to men employed in industry, as there is much greater liability to accidents during the leisure hours than while at work, while of course the accident and health policy gives protection against the ravages of sickness or disease 24 hours a day.

The possibilities of direct mail advertising in accident and health as well as other fields were pointed out by N. A. White, advertising manager Provident Mutual Life, who has gained special prominence for his work along that line in the life insurance field.

Harold R. Gordon, chairman of the general committee in charge of Accident & Health Week, outlined briefly the development of the observance and the objectives which it has in mind.

Magrath Joining the Chubb Office

(CONTINUED FROM PAGE 5)

The resignation of Mr. Magrath follows closely that of R. M. Clark, formerly first deputy, who this week joins the executive staff of the Continental Casualty of Chicago. Other department figures who in recent years have left to accept company posts are: J. G. Bill, general attorney Continental Casualty; C. E. Heath, now vice-president the Standard Surety & Casualty of New York; Albert Butler, vice-president Corroon & Reynolds companies; Charles Butler, associate manager New York department of North America; R. N. Rose, president Excess of Newark, and G. S. Van Schaick, vice-president New York Life. In earlier years the following also graduated from the department: L. A. Lincoln, president and F. G. Dunham, general counsel Metropolitan Life; Alfred Hurrell, vice-president, and George M. Merigold, Prudential; J. S. Phillips, chairman Great American Indemnity, and T. F. Cunneen, manager insurance department U. S. Chamber of Commerce. In addition, a number of former superintendents and deputy superintendents are actively engaged in law practice, specializing in good part in insurance litigation. Of a truth the New York department has been an admirable training school for underwriting talent, evidencing its utter lack of bureaucratic tendencies.

Gormley in Field Post

William C. Gormley has been appointed special agent for the Gaedke-Miller agency of Milwaukee which is general agent for Maryland Casualty in Wisconsin and northern Michigan. Mr.

Speed Action on Illinois Code in the Lower House

(CONTINUED FROM PAGE 6)

write "all personal property floater risks." The marine people have expressed alarm at this provision, on the theory that it would give the casualty companies not only the privilege of writing the householders comprehensive policy but all types of inland marine risks except tunnels, bridges and straight transportation risks.

The amendment inserts after the word "all" the word "householder's." Thus it would restrict the casualty companies definitely to the householder's comprehensive policy. This is a privilege that a good many of the casualty executives have been seeking as a means of protecting residence burglary business. So far as can be ascertained, the casualty companies generally are not interested in going after other types of marine risks.

Another amendment places the personal property floater under the fire insurance rating law.

Qualify for Chicago Outing

The annual all-day outing of the Continental Casualty's Insurance Exchange branch office, Chicago, to be held June 23 at Knollwood Country Club northwest of the city, for the first time is open to brokers of the Continental Assurance who qualify, as well as to brokers and agents of the Continental Casualty and its affiliated company, the National Casualty. The life men will receive a credit of two orders for each life application. Casualty brokers and agents who qualify must place 20 new orders with premiums totaling \$2,000. The contest runs two months ending May 31. Many fine prizes are offered in the golf tournament. Vice-president N. O. Hoag in charge of the branch is scheduled to award the prizes. Executive Vice-president Roy Tuchbreiter and other home office officials will attend.

Retiring from the army, Capt. D. W. Jewett has joined other members of his family in Des Moines in a new agency known as **D. L. Jewett & Sons**. Other members of the firm are D. L. Jewett, G. A. Jewett and H. H. Jewett. Offices will be at 214 Royal Union building.

G. H. Harrer, for 21 years with J. E. Decker & Sons, packers at Mason City, Ia., has opened an agency there.

Gormley was for 10 years claim adjuster in that territory for Maryland Casualty.

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1937

A. & H. NEGLECT OPENS WAY TO LOSS

(CONTINUED FROM PAGE 17)

eral Life, New York City, who sold \$400,000 of life insurance in the first three months of this year, largely on accident clients, called accident insurance the pay dirt that takes care of the agent's overhead between the times that he finds the nuggets. Also, the ease with which an accident sale is closed gets one in the habit of successful closing.

Another big advantage of accident insurance in connection with life coverage, he said, is that it insures a better type of prospect from the insurability angle. The \$400,000 that Mr. Fairbanks paid for the first quarter of this year was on 25 different cases. Not one of his applications was rejected, for every one was on an accident policyholder and this meant that there had been a preliminary sifting process.

H. G. Helm, agency manager Glens Falls group, gave some valuable data on the best kind of direct mail and follow-up strategy. His figures were based on experience in the life field since the accident insurance situation has not been studied. It was found that 10 to 35 percent more life insurance was sold when direct mail preceded the first call. Letters, it appeared, worked better than printed matter, pulling 3.3 replies per hundred as against 2.2 for printed matter.

Letters typed on automatic typewriters, which are indistinguishable from regularly typed letters, brought 6.1 replies per hundred. These were sent first class. Penny post cards brought only .2 percent replies while mimeographed matter sent third class made the poorest showing, .12 percent.

The best prospects appeared to be the old customers, from whom 6.9 percent replies were received. The next best showing was the miscellaneous group, with 2.3 percent replies. A purchased list of company presidents pulled only 1.6 replies out of each hundred mailed.

In composing the letters, tell the truth, the whole truth and nothing but the truth, submit a definite proposition and quote amounts, Mr. Helm advised. Make a bid for the business to come in by mail, he said, and make it worth

while for the prospect to send his answer in immediately, for if he does not reply within a week he will most likely never do so. For example, the letter might state that if the recipient will send in the application filled out within a week, the policy will be sent immediately for his inspection, after which he can either return it or send his check.

An application form of course should be inclosed and a business reply envelope. Incidentally, it was found that a business reply envelope printed in red and black got twice as good results as those printed in blue and black and considerably better than those printed in black only.

Follow-up Is Controversial

Prospects should be grouped in the same neighborhood to make following them up simple. How long to wait before following up is a matter of some controversy, Mr. Helm said. Some favor a short time within 48 hours or within three days at the most. Others say that a week should be allowed to go by so that those who are going to reply by mail will have had a chance to do so.

Don't make too ambitious a schedule of direct mail follow-ups, the speaker warned, since a portion of one's time should be allocated to service customers, call-backs and office routine. If too many calls are planned the agent will fall short and become discouraged. Mr. Helm strongly advised keeping records so as to check up on one's self. He suggested that at the end of the day one sits down and goes over the things done, the amount of business sold and commissions earned, saying that after doing so the agent would be in a more receptive mood towards record-keeping.

E. H. O'Connor, assistant secretary United States Casualty, strongly advised talking accident insurance from the income protection angle. Everything else for which a prospect buys insurance can be replaced, providing he keeps his earning power, consequently the earning power should be insured, he pointed out.

The automobile owner who hasn't a

garage of his own pays \$10 or \$15 a month for a garage to protect his car, Mr. O'Connor remarked, whereas for about half that amount he could buy a real accident policy for the protection of his income. In spite of the fact that accident and health premiums of stock companies ran about \$185,000,000 last year, there is little competition for this business, for the average broker would rather run all over town trying to get a burglary or compensation policy and then spend half the afternoon trying to get some company to accept it, Mr. O'Connor said.

Gets Broker Close to Clients

The accident policy is the answer to the problem of how to get close to one's clients, said the speaker. No other insurance sold today has the personal element that accident insurance has, he said. When a man buys an automobile liability policy he is buying accident protection for a stranger, Mr. O'Connor pointed out, asking why the buyer should not do as much for himself.

E. E. Bradley, New York City accident and health manager Globe Indemnity, said that many brokers won't bother with accident and health business, considering it to be a small sideline. He told of a broker friend of his who said that his clients were not interested in such coverage and he was positive that none of them had any. Challenged by Mr. Bradley, the broker took him to see his first client.

It turned out that the client had four accident policies aggregating \$150 a week indemnity and said he didn't know the broker wrote accident insurance because he had never mentioned it.

Supplements Workmen's Compensation

A valuable use of the accident policy is as a supplement to workmen's compensation insurance, the accident coverage being placed on the lives of executives to give them the same coverage that they would have had if they were under workmen's compensation except that it gives them a protection even when away from their work. Even if the state fund or a mutual company should grab the compensation line, the broker would still have his accident business, Mr. Bradley pointed out. He also said that the personal nature of accident insurance makes it very unlikely that any state insurance scheme will ever invade this field.

A four-act playlet strikingly brought home the value of accident insurance and supplied a little comedy. Those taking part were H. A. Usher, who wrote the skit; C. J. Burns, Frederick Zechiel and Melville DeBaun, all of the Aetna Life New York City office. The feminine roles were taken by Miss Jeanette Reusch and Miss Inez Gregertsen. J. R. Garrett, accident and health manager National Casualty, was master of ceremonies for the play.

Introductory speeches at the opening of the sales congress were made by H. M. George, chairman of the congress and vice-president in charge of the New York City Accident & Health Club's educational division and superintendent accident and health department, United States Fidelity & Guaranty; F. N. Dull, chairman of the club's executive committee and vice-president Continental Casualty, and Hugo Henn, president of the club and New York City accident and health manager Indemnity of North America.

R. S. Robbins and J. H. Brady, both among New York City's top ranking producers in accident and health as well as life, were the speakers at a production breakfast Tuesday which drew a very large attendance. Both speakers took issue with the idea that the writing of accident business is a detriment to one's life insurance production. They cited cases which they had obtained through first writing an accident policy which they would not have obtained otherwise.

The speakers were introduced by F. N. Dull, vice-president Continental Casualty.

Notable Talks at Detroit Congress

(CONTINUED FROM PAGE 17)

evidences of illness in many bad risks before you sign them up. Don't solicit the individual who has a reputation for getting into trouble with nearly everyone with whom he comes in contact. Should a claim arise it will probably be impossible to satisfy such a man, and your having written that one case might cost you a half dozen applications later."

Usually it is not advisable for the agent to settle his own claims, Mr. Pauley said. It takes a different type of personality to adjust than to sell to the best advantage. Further, when the adjuster is a stranger to the claimant it is easier for him to get the true perspective on the claim than for an agent who knows the claimant well.

Enthusiasm Is Essential

R. M. Rowland, National Casualty, Detroit, talking on "The Motive Power of Enthusiasm," asserted that after 26 years in the insurance business, most of that time in the accident and health field, he is convinced that accident and health offers the best opportunity both for service and for profit.

"In every high-powered salesman there is a fire of enthusiasm that means the difference between success and mediocrity, an enthusiasm that makes him high-powered. Every salesman needs a working knowledge of his policies but by no means an actuarial knowledge of them. Actuaries know more about the policies than you and I do, but they don't sell them."

"Unfortunately, most salesmen are not self-starters. They need to be motivated with enthusiasm. Listening to 'peg' talks by their managers and others will help. Studying the literature issued by your company will help. Publishing lists of the relative standing of the agents helps. If the company's service slips, then the enthusiasm of its agents is sure to dwindle. If you are not enthused about your company now, get enthusiastic about it right now!"

Neumann in Humorous Address

Under the title, "To Be Sure—Indeed!" E. H. Neumann, vice-president Great Northern Agency, Detroit, member of the Detroit Club, gave a humorous address in a broad Germanic dialect. Although designed as comic relief in the serious program, his talk included some serious and valuable thoughts, humorously expressed.

F. M. Walters, Philadelphia, joint superintendent accident and health department General Accident, talked on "Service and Security with Income Insurance." The man who does not carry this form of protection is in reality a one-man insurance company, he pointed out. His company has but one policyholder, and if that one policyholder has a claim it is likely to use up all of the "company's" reserve and bankrupt it.

Accident and health coverage is a basic insurance. It is a reserve fund like a bank account except that it is acquired by small payments, yet is instantly available in full when it is needed. It requires an invested fund of \$20,000 at 6 percent to produce \$23.08 per week, yet an income policy will provide \$23 a week of protection at a very low cost without any capital investment.

It is easy to find prospects for income insurance, he said. "If you look out of the window of a building and select the first ten persons who come within range of your vision, at least nine of them will be prospects for income protection, yet only a small portion of them would be prospects for any other type of insurance you might name."

J. P. Collins, Federal Life & Casualty, first president of the National Accident & Health Association, introduced H. A. Cunningham, Aetna Life, Cleveland, now president of the National association, who traced its history and activities.

Judge Maher of the Detroit traffic

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court spoke on "Accidents and Accident Prevention" at the luncheon.

R. J. Long presided at the afternoon session. H. L. Fowler, public relations director of the Detroit police department, spoke on "Traffic Accidents."

Frank Walton, Mutual Benefit Health & Accident, Detroit agency, speaking on "The Will to Win," outlined the inspiring careers of men who rose to greatness despite handicaps because they had the will to win.

Protects Man's Earnings

Taking as his text the official slogan of National Accident & Health Insurance Week, "Insure Your Earnings—Protect All," Thomas Hook, superintendent accident and health department Standard Accident, emphasized the fact that the real purpose of this form of insurance is the protection of a man's earnings. He said that "accident and health" insurance does not give a true picture of the coverage provided. Accident insurance could be applied to all the types of insurance which cover accidental damage to property, while on the health side it does not insure the health of the policyholder but does offer insurance against the loss of earnings by means of a disabling sickness. Even "income insurance" is not strictly accurate, he said, as weekly indemnity is intended to protect only the earned income.

When accident or illness overtakes the man with income protection his family circle is kept intact, he has fewer worries and consequently recovers more rapidly. The savings of years may be swept away and the future may be mortgaged for a long time to come by one accident or one illness for the man who has no earnings insurance.

Supplements Life Insurance

Answering the argument often met: "I have a life insurance policy which will pay me an income when I am disabled or should I pass on," Mr. Hook declared that personal accident and sickness insurance is a vital supplement to existing life insurance, the purpose of which is to create an estate to take care of one's wife and family in the event of his death. The proceeds of life insurance usually are not available until death occurs and there are many accidents and sicknesses which, although serious, are not fatal in their results. It is not a sound policy to depend on life insurance cash values to meet the temporary loss of income as the result of an accident or sickness. These cash values should be preserved for old age and death protection. Accident and sickness insurance should be regarded as a means of preserving or insuring the life insurance.

Prospecting Is Important

Talking on "Prospecting Through Accident and Health," Frank Mueller, Chicago, agency secretary Continental Casualty, said prospecting is one of the most important factors in the sale of insurance. Unless a constant stream of new prospects is obtained, business will soon become stagnant.

Agents are often so anxious to make sales that they neglect to make a plan and stick to it, he said. Managers should discuss working plans with their agents and should make sure that every agent in the office has found a working plan that suits him. A plan that is a winner for one man may not serve at all for another.

One way to enlarge a prospect list easily is to jot down the name of every person the agent meets in any manner; 99 out of 100 of them will be prospects. The sale of income protection is a quick proposition. "You can usually sell the prospect on one or two calls, unlike life insurance, and the interviews take only a few minutes each in most cases."

For life agents also selling income insurance, he suggested offering both at each interview. Where a man is found to be heavily insured, try selling him a policy on his wife; that will break the ice, get him on the books and pave the way for later sales to him.

Too many accident and health men

concentrate on white collar workers, who constitute but 10 percent of the available prospects; 90 percent of the prospects are mechanics, truck drivers and the like. Furthermore, these 90 percent need income protection much more than the white collar workers do, as a rule, since their pay stops the minute they have to lay off work.

Gantz Points to Disability Market

(CONTINUED FROM PAGE 17)

a license law the accident rate can be reduced. A resolution was passed by the association supporting the measure and was sent to the governor and speaker of the house.

R. L. Forney of the National Safety Council said the national accident problem is serious and is getting worse. There were more accidents last year than any previous year and in 1937 they are running 25 percent over last year. The key to the accident situation is control, he said. This has been found true in reducing industrial accidents. Thorough organization gets results.

The message of the "68" button was outlined by David Green, United of Chicago, chairman of the Chicago association's educational committee. E. H. (Count) Mueller, Pacific Mutual Life general agent at Milwaukee, extended an invitation to the annual meeting of the National Accident & Health Insurance Association in that city June 3-4.

A feature of the breakfast was the introduction of Ab Jenkins, famous automobile racer, who has never had an accident in his many thousand miles of driving. He outlined his rules for safety.

ST. LOUIS BREAKFAST

ST. LOUIS, April 28.—Allen May, general counsel General American Life, was the principal speaker at the breakfast meeting Monday, officially marking the opening of National Health & Accident Week here. Other speakers were Louis McKeown, associate city counselor, on traffic safety program, and James Conzelman, football coach of Washington University. George L. Dyer, Jr., Columbian National Life, president of the St. Louis Association of Accident & Health Underwriters, presided.

Nebraska Leaders in Stock and Mutual Ranks Listed

The ten leaders in the stock casualty company field in Nebraska in 1936, as reported by the state department, were:

	Net Premiums	Net Losses
Hartford Acc.	\$ 498,954	\$ 118,048
Travelers	425,463	182,930
Employers Liab.	333,758	155,504
U. S. Fid. & Guar.	280,508	128,943
Lon. Guar. & Accel.	223,329	124,160
New Amsterdam	201,881	57,311
General Accident	173,037	74,559
National Surety	151,204	17,147
Maryland Casualty	138,985	71,326
Fidelity & Cas.	131,991	72,319

Mutuals

Trav. Health, Neb.	550,376	\$ 377,307
Phys. Health, Neb.	421,720	344,931
Employers Mutual	419,522	174,029
State Farm Auto. Ill.	391,067	187,257
Mut. B. H. & A. Neb.	363,716	208,101
Physicians Cas., Neb.	335,716	237,540
Farm. Mut. Hall, Ia.	154,451	75,440
World, Neb.	132,711	40,680
Lumbermen's Mut.	126,319	46,614

Classification of business:	Premiums	Losses
Nebraska stock	\$ 163,141	\$ 52,342
Foreign	5,939,102	2,285,758
Nebraska mutual	77,327	42,163
Foreign	1,451,651	647,536
Nebraska assmt.	2,070,030	1,422,872
Foreign	163,114	80,267
Reciprocals	296,772	101,080

MINNESOTA RECORD GIVEN

Total casualty premiums written in Minnesota last year amounted to \$19,826,347 and the losses were \$8,140,519. Accident and health premiums amount-

Qualified Approval of High-Low Plan Is Given

PINK ANNOUNCES DECISION

N. Y. Will Allow Trial Use of Retrospective Compensation Rating Scheme with Amendments

NEW YORK, April 28.—Qualified approval of the retrospective plan for rating compensation risks in this state was given by Superintendent Pink in a lengthy decision just made public.

After outlining the formula used under the plan, the superintendent offers a number of amendments saying if these be adopted he will sanction its use "on an experimental basis in recognition of the widespread demand and support for it." Mr. Pink, however, specifically reserves the right to review the plan in practical operation with a view to withdrawing his approval in the event discrimination or other abuses and inequalities should develop.

The plan was submitted to the department by the Compensation Insurance Rating Board Jan. 6, and was considered at a public hearing Feb. 26. At that meeting William Leslie, general manager National Bureau of Casualty & Surety Underwriters, championed the plan as did representatives of Johns-Manville Co., Carborundum Corp., Risk Research Bureau and others, while A. V. Gruhn, general manager American Mutual Alliance, spoke in opposition.

The attitude of the New York department is likely to have a decided influence upon other departments before which the plan is pending, because the proposition has been studied thoroughly by Superintendent Pink.

Casualty Adjusters Meeting

Casualty company adjusters of South Carolina are to meet at Columbia, April 30, to form an organization, T. M. McElveene of Columbia making the announcement. Members of the South Carolina industrial commission will be guests.

Lunt in Indianapolis May 6

The Casualty & Surety Field Club of Indiana is making a special effort to secure a good attendance at the luncheon meeting May 6, to be addressed by E. C. Lunt, vice-president Great American Indemnity. Bankers, lawyers and important clients are being invited as well as local agents and their solicitors and brokers, and also members of the contractors association.

Lahey Appointed in Missouri

JEFFERSON CITY, MO., April 28.—Governor Stark has announced the appointment of F. J. Lahey of St. Louis as a member of the Missouri workmen's compensation commission. He will represent labor. He has been a referee for the commission for the past four years.

ed to \$2,581,000 and losses \$1,379,000; auto liability premiums were \$4,881,435, losses \$2,481,654; other liability premiums \$1,230,745, losses \$365,693; compensation premiums \$5,801,163, losses \$2,505,969; fidelity premiums \$730,146, losses \$132,561; surety premiums \$1,039,359, losses \$115,827; plate glass premiums \$160,832, losses \$82,453; burglary premiums \$485,700, losses \$104,890; steam boiler premiums \$112,591, losses \$4,468; machinery premiums \$29,599, losses \$1,466; auto property damage premiums \$1,695,351, losses \$581,839; auto collision premiums \$442,011, losses \$249,254; other p. d. and collision premiums \$122,430 and losses \$24,636.

The premium leaders were Employers Mutual Liability, \$1,679,636; State Farm Mutual Automobile, \$1,213,976; Anchor Casualty \$1,078,292; Hardware Mutual Casualty \$960,976 and Standard Accident \$918,876.

ACCIDENT-HEALTH

Promotions Are Announced

James C. McDonough, director of agencies of the Massachusetts Indemnity, has been made second vice-president. He was formerly manager in Pittsburgh and went to the home office agency department less than a year ago. Harold J. Tripp and Dr. A. B. Shoemaker, vice-presidents, have been made first and third vice-presidents, respectively. Arthur G. Carver becomes treasurer and Jarvis Farley, formerly agency secretary, is now assistant treasurer. Roger Billings continues as president, Miss J. L. Downs secretary and Miss M. L. Ross assistant secretary.

Legislation Los Angeles Topic

LOS ANGELES, April 28.—Powell Smith, attorney for the Occidental Life of California, addressed the Accident & Health Managers Club of Los Angeles on "Legislation Affecting Accident and Health Insurance." Legislative measures, both state and federal, were described and explained.

Forrest Agency Leads

The southern California agency of the North American Accident at Los Angeles, F. J. Forrest, manager, led the company for March. It also achieved the honor in February and won second place in January. S. W. Tooke of the Los Angeles agency led the company's "Plus Fifteen Club" in March with 69 applications.

ASSOCIATIONS

Ohio Managers Group to Meet

The Ohio Association of Casualty & Surety Managers will hold its annual Walpurgis Party June 11 at the Trees on Olentangy river north of Columbus, the last meeting this year. A barbecue steak dinner will be a feature. E. C. Lunt, vice-president Great American Indemnity, will address a meeting May 4. The association is planning an Ohio fidelity bond production campaign.

Nuckolls to Speak

A. H. Nuckolls, Underwriters Laboratories, will discuss "Explosion of Vapors and Gases" at the meeting of the Chicago Casualty Engineers Association May 10 in the Midland Club. The talk will be illustrated with slides. The lecture will follow the regular occupational disease lecture, which is given weekly as part of a course, and will run until the middle of June.

Casualty & Surety Club Dinner

At the annual spring dinner of the New York Casualty & Surety Club there were 430 present. There was a goodly delegation from the New York insurance department. M. L. Jenks, vice-president of the American Surety, president of the club, presided.

Pennsylvania Rating Bureau

HARRISBURG, PA., April 28.—The bill recently introduced in the senate providing an automobile rating bureau will be amended so as to permit the use of the facilities of the National Bureau of Casualty & Surety Underwriters and the National Association of Mutual Casualty Companies, Commissioner Hunt says.

The bill, Commissioner Hunt stated, was called for primarily by the antiquated and unfair system of rating prevailing in Pennsylvania. It is not necessary, however, he added, that the work of the national bureaus be duplicated by the establishment of new bureaus, provided the work of the national bureaus proves satisfactory to Pennsylvania.

Broad Riot Cover for Superior Risk

(CONTINUED FROM PAGE 3)

age is not intended for loss or damage caused by strikes, strikers, strike breakers, pickets or others involved, resulting from vandalism, malicious mischief or other acts, in the absence of a condition of riot, insurrection or civil commotion. The old form of riot U. & O. has been revised to specify that there is no coverage on account of shutdown forced by riot, insurrection or civil commotion in the absence of actual direct physical damage. The policy is further revised to specify that the period covered is the time required after the strikers have evacuated the plant to make the repairs.

The old riot coverage and riot U. & O. and the new riot coverage and riot U. & O. may be written only in connection with supplemental contract No. 3 or 3-C. If the assured does not have the supplemental contract, he must purchase the regular riot and civil commotion form.

Deterioration Not Covered

The new property damage riot endorsement covers malicious mischief and vandalism. It covers also direct physical loss or damage done by participants in and at the time of a riot, riot attending a strike, insurrection and civil commotion or from pillage or looting when the same occurs during and at the immediate place of a riot, riot attending a strike, etc., or during a sit-down strike or by strikers or by any person of malicious intent.

There is no liability for any loss or damage due to inability to carry on normal operations, nor for any loss caused by deterioration, depreciation, change in temperature or loss of market, nor for any other indirect or consequential loss.

If a riot, insurrection, civil commotion or strike is in progress at the inception of the policy or within 15 days after

inception, the premium will be double the normal rate. The endorsement may be canceled by the assured upon five days' notice but the earned premium shall not be less than 12 months premium.

The new U. & O. form follows the wording of the new direct damage policy. Liability is not assumed for any loss unless it results from direct damage to or destruction of the property by the perils insured against, and while the business of the assured is interrupted by a strike, the insurer shall not be liable for any loss due to interference by any persons with rebuilding, repairing or replacing the property damaged or destroyed, or with resumption or continuation of business; nor for any loss caused by deterioration, depreciation, change in temperature, etc. The same provision for doubling the premium and for a minimum of 12 months earned premium as in the direct damage endorsement applies.

Earned Premium Change

The old direct damage riot endorsement has been revised to provide that the earned premium in the event of cancellation by assured must be at least a six months premium.

H. P. Smith, manager of the F. I. A., reiterates that the association holds a sit-down strike is not in itself a riot, insurrection or civil commotion and that there is no liability under the old riot endorsement for sit-down strike damage, unless it occurs as a result of a development of a situation involving all the elements of a riot, including a tumultuous disturbance of the peace by three or more persons, accompanied by violence.

In New York state rates for form B (the new coverage) vary according to

the amount of coverage purchased. For the 25 percent clause, the rate is 12 cents, 50 percent clause, 7½ cents, 100 percent, 5 cents.

If a riot, insurrection, civil commotion or strike is in progress at the inception date of the insurance, or 15 days thereafter, the premium from the commencement of liability is based upon three times the normal rate for form A (the old cover) and double the normal rate for form B. There is a minimum 12 months premium based on the normal annual rate for form B.

There are many angles to strike insurance losses. For instance, in Detroit there was a sit-down strike in a cigar factory. The owners were not able to get in and operate the cooling and humidifying processes. On account of this a comparatively large stock of cigars was injured.

Some companies are looking into the liability of a city or county where a sit-down strike is allowed to continue and no effort is made to rid the property of the strikers.

In the west form B riot cover has not yet been approved in Indiana, Wisconsin, nor Missouri.

Chicago Board Tightens Membership Requirements

(CONTINUED FROM PAGE 3)

BONA FIDE AGENT—This applies only to metropolitan members. 1. Is one who represents the company with full powers of agency. (a) Keeps and maintains a complete set of supplies for each company represented. (b) Prepares and signs as agent in his own office and through his own bona fide employees each contract of insurance issued. (c) Performs all of the functions usually pertaining to the operation of an insurance agency and bears the expense thereof.

SOLE AGENCY—A sole agency is defined to exist only when the company, including its underwriters agencies, if any, maintains but one office in the principal city district for the issuance of contracts of insurance upon classes of business over which the board has jurisdiction and when all suburban agents for such company report their business for such company exclusively to and are under the direct supervision of that one office.

AGENCY LOCATED IN COOK COUNTY OPERATING EXCLUSIVELY OUTSIDE THEREOF—Wherever a company maintains an agency within Cook county within the office of a member and it is claimed that said agency issues no policies on business in Cook county over which the board has jurisdiction, both an official of the company and the agency shall file an affidavit with the manager fully setting forth all of the facts in a form satisfactory to the manager.

The membership entrance fee having once been paid and the member elected, no part of said fee shall be returnable under any circumstances.

History blank for applicants to metropolitan membership should be sent to each individual metropolitan member with inquiry with regard to applicant, return to be mandatory.

Metropolitan members who fail to pay dues shall have a notice of suspension Aug. 1.

NOTE: The application blank is being revised for submission to this committee.

The directors' report also set forth the policy of strict enforcement of the 90 and 45 day rule, relating respectively to metropolitan members and all other members, without granting any extension of time, provided that the full 90 day notice of disqualification to metropolitan supervising members and 45 day notice of disqualification to other members is given. The present 30 and 15 day notice of termination of membership remains unchanged, the notice to be given respectively 30 and 15 days prior to the 90 and 45 day periods.

A 25-year silver service medal has been presented to **Hugh Donehoy** of Seguin, Tex., by R. E. Alstead, San Antonio, special agent of the Home.

Sour Notes at the London Lloyds Booster Meeting

(CONTINUED FROM PAGE 4)

was to be an open meeting. He thereupon made reservations for a table for six in the name of Roy L. Davis, assistant insurance director. Mr. Wolf then made up a party consisting of Mr. Davis, State Senator T. E. Keane, chairman of the senate insurance committee; Rockwood Hosmer, R. W. Hosmer & Co., Chicago; W. H. Stewart of Chicago, president Illinois Association of Insurance Agents, and Gail Reed, prominent broker identified with Fred S. James & Co., Chicago. The appearance of this party apparently caused consternation among the promoters of the meeting.

About 50 attended. About 15 were bankers who have been able to save money by purchasing blanket bonds from Lloyds. There were two or three candy manufacturers, who buy products liability from Lloyds. There were several Lloyds brokers. A. V. Gruhn, general manager American Mutual Alliance, was present. Four or five newspaper men were present. They had been handed prepared releases concerning the meeting. These featured London Lloyds as the insurance buyers' friend.

Muckley Gives Talk

The president of the club, who did not give his name, turned the meeting over to Mr. Scarborough. The first speaker was R. L. Muckley, a Chicago broker, who specializes in fur insurance and is insurance advisor of the National Association of Retail Clothing Merchants. The other speaker was Roger Bronson, a broker connected with Fred S. James & Co., who has been specializing in the sale of compensation aggregate stop loss contracts. He said that he had prepared a paper but in view of the nature of the audience (apparently referring to the Wolf party) he would read only one paragraph from it and then give some of his personal opinions.

After these two speakers had concluded, the meeting became more and more disorderly. Mr. Scarborough at one time jokingly stated that he would have removed from the room water bottles, pitchers and other impromptu missiles.

Attorney C. H. G. Heinfelden of the law firm of Lord, Lloyd & Bissell, attorney-in-fact for Lloyds in Illinois, made an impassioned talk in which he accused the adversaries of misrepresentation, flag waving, protecting home industries, dragging a red herring across the trail.

Sees British Flag Waved

Mr. Wolff replied in spirited fashion, saying that the only flag he had seen waved was the British flag.

Another speaker was N. B. Collins, president National Security Bank of Chicago, who said that he had been able to save \$2,000 a year by patronizing Lloyds.

Senator Keane championed the code in its original form, which imposes upon Lloyds the same requirements that are imposed on other types of insurers. Mr. Davis asserted that the code bill is fair to all classes of carriers.

When it came to a discussion of Lloyds assets, Mr. Scarborough stated that the underwriters pledge their personal fortunes without limit. Senator Keane requested Mr. Scarborough to furnish a list of underwriters, showing their personal fortunes. Mr. Scarborough expressed the belief that this information is not available.

The candy manufacturers were the same ones who appeared a few weeks ago before the senate insurance committee asking more favorable treatment for Lloyds. They had a word or two to say at the Lloyds booster meeting in Chicago.

The Austin Mutual Dwelling House Fire, Minneapolis, has changed its name to the Austin Mutual Fire.



SALES meetings, conferences, conventions get off to a quick start at Pocono Manor. Isolated from crowds, in its own 3,000-acre estate, the Manor is the first choice today of many leading life, fire and casualty companies.

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DIVERSIONS: Tournament 18-hole golf course, private lake, 3 tennis courts, riding over scenic trails. All winter sports in season.

ENTERTAINMENT: Motion pictures, card rooms, dancing, table tennis, lectures and concerts. 4,000-volume library.

RESERVATIONS: Special group rates, including rooms and meals, golf and riding may be arranged for. Thoroughly experienced staff to handle all convention details. Post office and telegraph on premises. Write for literature.

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POINTERS FOR LOCAL AGENTS

Answers to Sales Questions

(FROM FIREMAN'S FUND RECORD)

Question: A newspaper carries fire insurance and would like to obtain additional coverage to take care of the expense of having to carry on its business in other premises in case of serious fire in its own plant, but does not desire to insure its profits or other items. Would a use and occupancy policy take care of this?

Answer: No. Use and occupancy limits coverage to the normal operating expense that would have been earned had no fire occurred. To take care of unusual and extra expenses which confront a newspaper operating in a temporary location surplus charges and expenses insurance should be carried.

* * *

Question: A large garage has recently become incorporated, and the president asks if he is personally protected with respect to the operation, for business or pleasure, of any automobile owned by or in charge of the garage, under the new standard garage payroll policy.

Answer: Personal liability of the president is covered if he is actively engaged in the business and his earnings (or at least \$2,000 a year) are included in the payroll upon which the premium is computed. Incidentally, the personal liability of the vice-president, secretary and treasurer is also covered under the same conditions. Such individual coverage does not apply to the operation of automobiles which are not owned or in charge of the named assured.

* * *

Question: If a garage owner secures a permit from the city to erect a sign over the sidewalk does he automatically assume liability for accidents occurring to the public on the sidewalk, and, if so, does his garage policy include this liability?

Answer: In the absence of an ordinance making the garage owner responsible for injuries occasioned through the maintenance of a sign, the garage owner would be liable only in the event that negligence could be established. The garage policy would cover claims arising out of the maintenance of a sign attached to the premises.

* * *

Question: Can the riot and civil commotion policy be broadened to include any kind of unlawful physical damage to a plant, such as acts of malicious employees, cranks, racketeers or anyone bent on vandalism?

Answer: A vandalism and malicious mischief endorsement to the riot and civil commotion policy would solve the problem in those states which permit fire insurance companies to assume the hazard of malicious damage. This involves an additional premium. This endorsement does not add extra insurance, but merely extends protection under the policy and in the same amount as the policy.

* * *

Question: A garage owner carries garage keepers' legal liability insurance with a specified storage limit of 50 cars. At the time of city celebration the facilities of the garage were overtaxed and 60 cars were crowded in. How does the legal liability insurance apply in this case?

Answer: With 60 cars stored where only 50 were specified under the policy, in case of fire the garage owner could

collect only 5/6 of the damage. With over-storage the garage laid itself open to a severe financial loss, and in selling this kind of insurance the agent should clearly explain the need for maximum limits.

* * *

Question: Is the property of my children and guests covered under a residence burglary, robbery, theft and larceny policy?

Answer: Yes. All property owned by the assured, any permanent member of his household not paying board or rent, and relatives who are permanently residing with him is covered up to the full limits of the policy. This policy also covers the property of guests and servants up to 25 per cent of the limits of the policy.

* * *

Question: Does the residence burglary, robbery, theft and larceny policy cover all kinds of property?

Answer: Yes. All kinds of property can be covered under this policy. Normally, coverage is provided on what is referred to as Section A property and Section B property. Section A property consists of jewelry, all articles made of gold, platinum or sterling silver, and furs. Section B property covers all property commonly found in a residence, excluding property described in Section A, and includes money and securities up to fifty dollars. All damage to the premises caused by burglary, robbery, theft or larceny or attempt thereof is likewise covered.

Farmer, Once Debt Free, Is Now a Mortgagor

An interesting case has recently been settled in Illinois. A prosperous farmer in the northern part of the state carried \$10,000/\$20,000 auto liability insurance. He ran into a state highway truck resulting in its being overturned and the

driver was seriously injured so that he is permanently incapacitated for work. The injured man was awarded \$20,000 damages. That meant that the farmer had to dig up \$10,000 in addition to the \$10,000 insurance he carried. He did not have the \$10,000 and hence had to mortgage his farm.

At times agents are confronted with the argument in the country districts that large limits are not needed because accidents are rare. This is a mistaken idea. Just the other day a verdict of \$42,775 was rendered in Huron county, O., involving an accident on a country road west of Norwalk. In this instance, the policyholder carried \$15,000-\$30,000 limits, which as a general rule are considered substantial. It might seem that that was ample and yet out of his own pocket he had to pay \$12,775. This all goes to show that agents should talk much higher limits than at present.

Consequential Coverages

All in the business need to be thoroughly informed as to so-called consequential coverages such as use and occupancy, rent and leasehold, profits, contract insurance, improvements and betterments, etc. A new book from the press of THE NATIONAL UNDERWRITER, "Consequential Coverages," by W. S. Foster, who was formerly associate western manager of the North America, has attracted wide attention. This book sells at \$2 a copy. Mr. Foster is one of the leading authorities on the subjects which he takes up. He is the author of another book, "Removing the Mystery from U&O Insurance," which was published by THE NATIONAL UNDERWRITER.

There are two parts to the book, the first dealing with prospective earnings and is taken up largely with use and occupancy. The second part deals with other consequential damage coverages. The book is written in a popular style and makes good reading for anyone in the business. It enables officials, field men and local agents to become better informed as to the coverages that are constantly being brought into the picture.

Rain Insurance Worth Pushing

Rain insurance is a line that can be pushed with advantage from now until mid-winter, with some sales possible during the cold season. Because prospective purchasers of the policies are in a wide occupational range, chances of valuable acquaintanceship are good.

Promoters of fairs, outdoor boxing and wrestling matches, horse races, band concerts, outdoor dances, outdoor movies, aviation meets, baseball games, in fact all sporting events, political meetings, rallies and holiday celebrations, such as Memorial Day, Fourth of July, Labor Day, etc., are open to canvass. Indoor events that are insurable include department store sales, auctions and almost any performance or event which would be a financial loss if people did not attend because of wet weather. Another prospective client is the local newspaper. This last cover indemnifies publishers for loss of income where the publisher agrees with his advertisers to return cost of the advertisement or a specified percentage, or to reprint it, in case of rain at the time of the advertised event.

Winter events include sales, races, football games, political rallies, etc. However, the spring, summer and fall months offer the most opportunities to sell these policies.

Application is required and it must have been sent at least seven days prior to coverage date wanted. The agent cannot bind without special authority. Care should be taken during summer months to see that the hours of coverage harmonize with local daylight time if that is in effect.

The policy covers loss of advance expense money, loss of income or gross profit loss on mercantile events, when the loss is caused by precipitation as described by the U. S. weather bureau. This includes rain, hail, sleet and snow. The policy does not cover property damage of any sort.

3-HOUR MINIMUM PERIOD

The policy must be issued by periods and for at least three hours. There is no return premium. Rates are quoted for rainfall of 1/10 or 2/10 inches or on no specific measurement basis. Rates are figured according to the state (sometimes according to the county) and according to the month and time of day. The policy is non-cancellable.

Premiums are high enough to make solicitation of this business worth the agent's time. To avoid misunderstanding he should secure complete details on the risk and on available coverage from his company.

SALES IDEAS OF THE WEEK

Positive Sales Talk Speeds Interview to Close

The competitive situation in the automobile insurance field has encouraged attacks on the other fellow instead of a complete sales presentation of one's own policy. Recently a broker successfully overcame an embarrassing situation. Another broker had asked him to go with him to see a policyholder who was considering placing his business in a cut rate company, and he wanted a little assistance in holding the business. They called at the assured's home, but the latter was out for a few minutes so they had to wait. Meanwhile another man came to call and he waited, too. When the assured arrived he was greatly embarrassed because the last arrival was the cut rate agent. However, the first broker took hold of the situation and he said he would like to outline the merits of his policy and if the cut rate broker wished to interrupt it was perfectly all right with him. Then he began to recite the advantages of his contract. He was careful to make no statements which might be objected to by his competitor. When he got through the competitor had nothing to say. If, on the other hand, he had deviated from his positive sales talk, the competitor would have been able to get into the argument which would have left doubt in the prospect's mind. As it was, the first broker got the signed order and the competitor dropped out of the picture.

Although it is unusual for competitors for a policy to stand together before the assured this incident does show that the competitive talk confuses the assured and opens the sale to arguments instead of bringing the sale to a successful close. By saying as little as possible about his competitor, the salesman is able to keep the sales talk on the straight line toward the close. Competitive talk obscures the objective, creates hesitancy in the prospect's mind, takes several calls to close and there is no more premium in the end than if there had been a clean cut sales talk in the first place.

Customer's Record

THE NATIONAL UNDERWRITER sells a loose leaf customer's record of insurance for large policyholders. It is known as form 811-P. It has been very carefully designed by experts to give a convenient record for the larger property owners. There is a convenient monthly calendar of expirations. Each register and every 25 sheets when ordered in bulk have a title page on the back in which are helpful and detailed instructions to the bookkeeper when keeping his insurance records. Many people today want a loose leaf register and while the cost is a little higher than a bound book the loose leaf one lasts indefinitely. Before presenting a loose leaf register to a customer an agent should enter the policies in it in the right form. There is one cover that costs 90 cents and a slide lock screw post binder \$2. The cost for 50 sheets is \$1.25 or \$2 for 100. It is always advisable to get these sheets in bulk so that an agent can have them on hand when a customer desires some more.

Consequential Coverages by W. S. Foster should be in every local agent's office. Price \$2. National Underwriter.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Van Brunt Heads Russell Co.

Is Elected President of Well-known Milwaukee Agency to Succeed Fred J. Lewis, Retired

MILWAUKEE, April 28.—Bradlee Van Brunt has been elected president of the Geo. H. Russell Co. agency to succeed Fred J. Lewis, who is retiring from active business after 35 years in local agency work. Mr. Van Brunt, son-in-law of the late George H. Russell, has been active in the agency as a director since the death of Mr. Russell in 1929. He is better known in the life insurance field as one of the leading producers in the Gifford Vermillion agency of the Mutual Life of New York.

Other Shifts Announced

Charles Schwarten, vice-president and secretary, becomes first vice-president and treasurer. He has been with the agency about 35 years. T. Z. Clayton, 15 years in the business, has been made a vice-president. John E. Masak, with the Russell company 25 years and manager of the casualty department and allied lines, is the new secretary.

Mr. Lewis had departmentalized the agency by placing an experienced man at the head of department. These men will continue, with Ralph Joers as manager of the fire insurance department; Robert Boers, surety and bonding; George Wheeler, general claims adjuster; G. Vierguth, automobile; E. F. Koenitzer, auditor; John E. Koehler, liability; E. Markwiese, accident; H. A. Rash, safety engineer; C. W. Booth, E. J. Potter and J. J. Tallmadge, outside contact men.

Launch Move in Michigan on "Independent" Association

LANSING, MICH., April 28.—Alleged efforts to clear agencies represented in the Michigan Association of Insurance Agents of their mutual affiliations have resulted in an attempt by certain agents to form a new association in which their "independence" would be preserved.

A meeting at which it is expected a definite organization will be formed has been called for May 1. Backers of the proposed association say the agents from about 50 communities will attend.

Tibbets Is Prime Mover

George Tibbets of Lansing, who has resigned from the Lansing association and is apparently taking a leading part in the "independent" organization movement, said it is uncertain as yet whether a strictly mutual association will be formed or one permitting agents to represent either mutuals or stock carriers. He voiced personal preference for the latter policy.

State association officials contend that little or no pressure in the past has been put on the membership in the direction of clearing agencies but that the movement now being launched may result in adoption of a rigid rule on the subject. The stock companies have from time to time attempted to eliminate mutual representation from their agencies. It is admitted that numerous members of the present state association still represent mutuals.

The Michigan movement is apparently following much the same lines as that in Kansas, where an "independent" association was formed a week or so ago.

Rally Michigan Farm Agents

Enthusiastic Meetings Held at Battle Creek, Ann Arbor and Saginaw—Agents, Farm Specials Speak

Following out plans launched at the mid-year meeting in February of the Michigan Association of Insurance Agents, a stock company drive for farm business was formally launched at a series of meetings throughout the state the past week.

Considerable enthusiasm was shown among agents who attended rallies at Battle Creek, Ann Arbor and Saginaw, in charge of the farm committee of the Michigan association, addressed by farm specials for three stock company groups which write farm business. More than 125 agents were present at the three sessions, the general program being the same in each case.

The Battle Creek meeting with about 35 agents from western and southwestern Michigan attending was in charge of L. R. Funk, Niles, and Percy Worgess, co-chairman of the farm committee with Phil J. Braun, Flint. Mr. Worgess has agencies in both Battle Creek and Lapeer.

Speakers were Dennis Smith, Chicago, and E. D. Cameron, Jackson, America Fore; Frederick Miller, Laporte, Ind., farm special Home of New York in Indiana and Michigan, and J. A. MacLean, Lansing, farm special National Fire. J. R. Munson, assistant to Mr. Miller, was also present.

Mr. Smith pointed out the advantages of organization within the association agencies in campaigning for farm business. Mr. Cameron considered farm underwriting problems, explaining why a risk is acceptable or unacceptable to a stock carrier. Mr. Miller gave a demonstration of solicitation to obtain the attention and, if possible, the business of a farmer already insured with a mutual. Mr. MacLean gave a detailed analysis of the coverage provided and pointed out the special advantages of the stock company contract as contrasted with that of mutuals.

Mr. Worgess and Mr. Braun shared the chairmanship at the Ann Arbor meeting, attended by about 40, and Charles Olds of Harrisville was chairman at the Saginaw meeting, attended by 50 agents. Tentative plans are on foot for another similar series.

Mortensen Is Headliner at Regional Meet in Madison

MADISON, WIS., April 28.—Commissioner Mortensen was a headliner at the regional meeting here of the Wisconsin Association of Insurance Agents with 150 attending. President H. A. Bird of Beaver Dam presided.

Mr. Mortensen said his department had made every effort to cooperate with the agents consistent with good business. He said the agents have an important problem to solve. Whether they recognize it or not, there is a feeling of the public that the percentage paid to agents for writing insurance is excessive. This can be counteracted by rendering such service that the public will understand that that service entitles the agent to the compensation he receives.

L. C. Hilgemann, Milwaukee, reported on insurance bills before the legislature. W. B. Calhoun and Monroe Porth, Milwaukee, reported on the mid-year meeting of the National Association of Insurance Agents.

B. K. Olinger, Milwaukee, state agent Connecticut Fire, spoke in opposition to

consumer cooperatives. He made a distinction between them and producer cooperatives.

While no action was taken, it was apparent from the discussion that some resolution will ultimately be proposed by the Madison agents, criticizing the proposed courses in insurance at the University of Wisconsin. It was decided to wait until the Madison organization reports.

Should Know About Rate-Making

MINNEAPOLIS, April 28.—Believing that every insurance agent should know something about how automobile insurance rates are made, E. C. Huhnke, chairman executive committee of the Minnesota Association of Insurance Agents, has prepared an article on the subject for the association's house organ.

Every time automobile insurance rates are adjusted, Mr. Huhnke says, there is widespread protest from policyholders, the press and even insurance agents, but after all, he points out, it is really the car owner who makes the rates.

"There is probably no line of insurance the rates for which follow more closely the indications of the experience sustained year after year," he writes. "The underwriters and rating experts in the home offices and in the bureaus may be some distance from the territory for which they are making rates but they can follow through their statistical records changes in conditions affecting the operations of autos as rapidly as they occur."

St. Louis Group Elects May 5

ST. LOUIS, April 28.—The annual meeting of the Associated Fire Insurance Agents & Brokers of St. Louis will be held May 5. J. S. Feydt, Jr., president, has been renominated. Other recommendations of the nominating committee are: Vice-president, William Eichenser; treasurer, G. S. Metcalfe; secretary, R. E. Doerflinger; directors, W. F. Duerbeck, O. W. Earickson, H. J. Ewers, Jr., William Rodiek, Jr., D. F. Sheehan, E. W. Borchering, C. H. Bowersox, W. G. Drozda, A. J. Fleer, J. C. Greulich and William Haase.

Western Factory St. Louis Branch

The Western Factory Insurance Association has opened a branch office in St. Louis on the third floor of the Pierce building.

Hardware Mutuals' New Chairmen

Louis Hirsig, Madison, has been elected chairman of the board of the Hardware Mutual Casualty, Stevens Point, Wis., to succeed the late O. P. Schlafer. Carl N. Jacobs was elected chairman of the board of the Hardware Dealers Mutual Fire to succeed Mr. Schlafer.

Storm Losses in Mid-West

This is the season of the year when wind and hail storms are expected in the middle west and a number have occurred in the past two or three weeks. The companies are getting a good many loss reports from the neighborhood of Eldon, Mo., and from Wichita, Kan. A more recent storm, principally hail, is producing claims from Ottawa, Ill.

Successful Legislative Session

ST. PAUL, April 28.—What three months ago promised to be a disastrous legislative session for insurance in Minnesota turned out to be the opposite. Only 17 out of 179 bills affecting insurance have been enacted into law and none of those passed is regarded as especially undesirable from the insurance standpoint. The most important measures passed, according to Clyde B.

Helm, secretary Insurance Federation of Minnesota, affect workmen's compensation and casualty insurance. Those affecting fire and life insurance, he said, were of a minor nature. The major bills enacted into law required all employers to carry compensation insurance and insurance companies to write employers after one rejection. Another bill authorizes school boards to carry liability insurance on school buses. The fire marshal's tax on fire premiums is increased from $\frac{1}{2}$ to $\frac{1}{2}$ of 1 percent.

Arrests Agent for Arson

LINCOLN, NEB., April 28.—State Fire Marshal Davis has caused the arrest at Nebraska City of Paul D. Winton, a licensed insurance agent, on the charge of first degree arson. Following investigation of a fire that damaged a vacant house belonging to Mrs. Winton and which disclosed evidences of incendiarism, Marshal Davis said that he found Winton had procured a policy for \$3,700 on the property, worth not to exceed \$2,000.

Form New Detroit Agency

DETROIT, April 28.—G. W. Drennan, former president of Drennan & Seldon, and C. H. Sill, former president of Sill & Hadley, have formed the Drennan & Sill agency, 617 Penobscot building. Mr. Drennan is president; Mr. Sill, executive vice-president; R. H. Jewett, secretary; E. F. Fortner, treasurer, and Sheldon Drennan, assistant secretary.

Nebraska Stock Fire Leaders

The ten leading stock fire companies in Nebraska for 1936, as shown by reports to the insurance department, are:

	Net Prem.	Losses
Hartford Fire	\$ 581,479	\$ 306,247
Home	492,594	253,240
National	318,325	168,423
St. Paul F. & M.	226,516	106,778
National Security	193,966	135,130
Aetna Fire	183,685	88,831
Ins. Co. of N. A.	156,106	113,577
Phoenix	124,426	67,378
Travelers Fire	118,085	55,210

The following figures give a classification of the Nebraska business:

	Net Prem.	Losses
Nebraska stock	\$ 455,485	\$ 235,288
Foreign	6,120,096	3,561,860
Nebraska mutuals	531,954	212,517
Foreign	673,872	219,699
Assessment	1,070,905	718,635
Nebraska recip.	26,454	8,720
Foreign	97,828	89,260
Neb. assmt. hail	223,525	46,099
Foreign	605,125	209,404

Earthquake Demand in Michigan

BATTLE CREEK, MICH., April 28.—A series of minor earthquake shocks felt in Battle Creek in recent weeks has resulted in a number of inquiries for earthquake insurance, agents here report. Although there has never been a serious quake in Michigan, several policies have been written in this district since the disturbance.

Rockford Board Outing

The fourth annual field day of the Rockford, Ill., Board of Fire, Casualty & Surety Underwriters will be held at the Rockford Country Club, June 24. This is the first local board to announce its summer outing. W. H. Jennings, Jr., 905 Talcott building, Rockford, is secretary of the board.

Prosecute Unlicensed Writer

DETROIT, April 28.—Michigan department officials are participating in the prosecution of Roy Hall, charged

Notice of Annual Meeting

The annual meeting of the Insurance Federation of Indiana will be held on Monday, May 10, 1937, at the Indianapolis Athletic Club, Indianapolis, Indiana, at 10:00 A. M.

with representing an unauthorized insurance carrier. Hall represented the Farmers & Merchants Mutual of Omaha. Attention of the authorities was called to the situation when the mutual informed the insured it could pay only 51 percent on a loss of approximately \$1,500. The insured promptly cashed a certified check for that amount, thereby preventing a further write-off, as the mutual wrote in a few days to inform him that payment would be only 20 percent, because of other incurred losses.

New Cincinnati Agency

CINCINNATI, April 28.—The Harris-Roberts agency has established quarters at 501 Traction building here, representing Columbia Fire, Massachusetts Fire & Marine and American States. Floriene Roberts has had 10 years' experience with Dickerson & Linn. John Harris was a solicitor for the same agency four years. C. M. Biscay, son of the late C. M. Biscay, Sr., advertising manager of the Western & Southern Life, will be associated with Harris-Roberts.

The agency has applied for membership in the Cincinnati Fire Underwriters Association, the qualifying company being the North Star.

Lichty Named President

District 5 of the Ohio Association of Insurance Agents, at its meeting at Marion, elected G. R. Lichty of Kenton, as president, and Helen Stecher, secretary. A meeting will be held at Kenton in July and another at Lima in September.

New Farm Bureau Director

ST. PAUL, April 28.—F. W. Brown, agricultural extension worker, has been appointed director of the insurance department of the Minnesota Farm Bureau Federation, succeeding W. D. Stegner, named national farm bureau insurance director.

Range Association Meeting

The next meeting of the Range Underwriters Association of Minnesota will be held at Hibbing, May 6.

Racine Meeting Held

At the Racine County Insurance Underwriters Association April meeting at Racine, Wis., practically every accred-

Do You

Do you cry into your chowder? Of course not, for it simply isn't done; but every agent has moments when he feels as if the whole world were against him--and it's then that he appreciates the opportunity to confide in his company's officers. We have listened to quite a few agents discuss their problems; and we have learned many of the answers. These answers are relayed to our other agents when necessary. We can help you too--if you are eligible to become one of our agents.

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Surplus to Policyholders, \$30,839,324.64

ited local agent in the county attended. Following a dinner, various underwriting problems and legislative matters were discussed.

Farmers Home Mutual Figures

The annual statement figures of the Farmers Home Mutual of Madelia, Minn., shown for 1936 on page 105 of the 1937 Argus Fire Chart are in error and should read as follows:

Admitted assets, \$366,177; surplus to policyholders, \$344,727; net premiums written, \$310,912; premiums plus interest and rents, \$336,673; losses paid including

adjusting expenses, \$181,524; underwriting expenses paid, \$102,407; ratio of losses paid to premiums written, 58 percent; ratio of expenses paid to premiums written, 33 percent.

Aids Boy and Girl Scouts

The Duluth Underwriters Association is doing good work for Boy and Girl Scouts in that city by collecting, renovating and redistributing uniforms among youngsters unable to afford them.

The Tennessee Blue Goose will hold a smoker at the Peabody hotel, Memphis, the evening of May 6, with F. C. Ellis as local chairman.

IN THE SOUTHERN STATES

Mysterious Nashville Outfit

National Bonded Adjusters Offer Agents a Great Opportunity—Office Is Difficult to Locate

In view of the activities of the Associated Adjusters of Milwaukee, now under investigation by the postoffice authorities, there is much interest in the fact that agents throughout the south have been addressed by the National Bonded Adjusters, 1010 Cotton States building, Nashville, offering very lucrative and juicy opportunities. However, before this outfit will give an agent the privilege of representing it, there must be a deposit or fee sent to its office.

Seemingly very few people have any information as to the Nashville concern. Its name does not appear on the bulletin board of the Cotton States building. It is not listed in the telephone directory. It seems that two mysterious men go to its office early in the morning, lock the door and leave in an hour or so and may not return for a day or two. A representative of THE NATIONAL UNDERWRITER visited the building but was not able to get into the office of the National Bonded Adjusters. The janitor, however, told him where the offices were located.

In its literature the National Bonded Adjusters says: "Join up with us and you will make a minimum of \$1 an hour and sometimes \$10 a day." The folder tells about merchants selling on an instalment basis and saying that adjustments are necessary in many cases. There have been a number of complaints made to the Tennessee Association of Insurance Agents. Most of the literature is sent out to agents in the smaller places. A complaint has been made to

the Tennessee insurance commissioner and perhaps the postoffice department will be asked to make an investigation.

Cotton Tax Issue in Texas

Fire Commissioner First Demands Immediate Payment by C. I. A. Companies, But Then Relents

In the absence of Fire Commissioner Hall of Texas, the deputy in charge will not press for immediate payment of taxes demanded from company members of the Cotton Insurance Association, according to advices from the Atlantic headquarters of the organization. The amount of taxes claimed is disputed by the carriers, and the matter is being handled by their attorneys in several of the states.

The Texas commissioner had sought to force the issue by threatening not to renew the licenses of member companies of the Cotton Association unless they paid the taxes that are demanded immediately.

Pay First, Then Sue, Is Demand

Among other things, the Texas department insists that the companies pay taxes on premiums that were paid to non-admitted reinsurers for so-called excess of loss covers.

The Texas commissioner demanded that the companies pay the full tax bill and then, if they desire, start litigation.

The tax figures were computed by the firm of Merkle & Martin, tax ferrets, who have been employed by the commissioners of several states, to investigate the allocation of premiums to the various states in connection with cotton policies. The companies dispute the Merkle & Martin figures in many respects.

A misunderstanding developed from a recent meeting of southern commissioners and company representatives. The companies got the idea that the commissioners had given them until June 15

To Give No Address



TERRELL WOOSLEY, Lake Charles, La.

Terrell Woosley of Lake Charles, La., president of the Louisiana Insurance Society, who went to Arizona for his health and returned to his home recently, is still recuperating and may not be able to preside at the annual meeting of his organization at Monroe this week. If he is able to make the grade he will speak extemporaneously in giving his report. It is likely that he will go to the convention but his physicians have instructed him not to prepare an address and will later advise him whether it is wise to preside. He is definitely on the road to recovery but will take the balance of this year to get in good form.

to prepare figures that they considered proper. Then just recently H. A. Trost, representing certain southern commissioners, advised the companies that no such moratorium had been granted. Superintendent Julian of Alabama, however, stated that he understood the companies were given until June 15.

The Texas department, which renews companies as of March 1, has held up the licenses of some companies and the commissioner stated that these will not be renewed if the taxes are not paid. Those already issued, he stated, will be canceled.

Alabama Program Announced

Falk, Wheeler, Hall, Midyette and Julian to Speak at Montgomery Meet May 13-14

MONTGOMERY, ALA., April 28.—Speakers have been announced for the annual convention of the Alabama Association of Insurance Agents here May 13-14. They are: W. L. Falk, superintendent brokerage department Liverpool & London & Globe; Lloyd T. Wheeler, secretary-manager Southeastern Under-

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Representing Aetna Group — others on request. Investigations, adjustments, trial of all insurance cases in State and Federal Courts.

CALIFORNIA (Cont.)

HARMON C. BROWN

3616 Main Street
Riverside, California
Fireman's Fund Group (partial) and others on request. Local attorney for the Atchison, Topeka and Santa Fe Railway Co. Investigations, adjustments, trial of all insurance cases in State and Federal Courts.

HUSTON, HUSTON & HUSTON

Capital National Bank Building
Sacramento—California
Also Offices
Democrat Building
Woodland, California

HADSELL, SWEET, INGALLS & LAMB

Financial Center Building—San Francisco
Partial Representation: Continental Cas. Co., Fidelity & Cas. Co., Globe Ind. Co., Great Amer. Ind. Co., London Guarantee & A. Co., Medical Prot. Co., New Amsterdam Cas. Co., Phoenix Ind. Co., Royal Ind. Co. and various Life, Fire and Health and Accident Companies.

KEYES & ERSKINE

Herbert W. Erskine William A. White
Morse Erskine J. Benton Tully
625 Market Street
San Francisco, California
General Counsel Pacific National Fire Ins. Co.
Trial of insurance cases in State and Federal Courts.

JOHN J. TAHENY

Hobart Building
San Francisco, California
Representing Associated Indemnity Corp., General Reinsurance Corp., and others.
Former vice-president and general counsel of Associated Indemnity Corp., and Associated Fire & Marine Ins. Co., San Francisco.

THORNTON, MENZIES & TAYLOR

311 California Street
San Francisco, California
548 South Spring St.
Los Angeles, California
Refer to any insurance office in San Francisco.
Aetna, Continental, Caledonian, Home, Home Indemnity. Others on request.

COLORADO

LEE, SHAW & McCREEERY

1217 First National Bank Bldg.
Denver, Colorado

Company references given on request.
Equipped for investigations, adjustment and settlements of all claims. Trial all insurance cases in State and Federal Courts.

CONNECTICUT

POND, MORGAN AND MORSE

39 Church Street
New Haven, Connecticut
United States Fidelity & Guaranty
General Accident and many others.

DELAWARE

MARVEL, MORFORD, WARD & LOGAN

Delaware Trust Building
Wilmington, Delaware
Specializing in Insurance and Corporation matters.

DIST. OF COLUMBIA

HUGH M. FRAMPTON

327 Southern Building
Washington, D. C.
Manufacturers Casualty Ins. Co.
Equipped for investigations, adjustments, settlement of claims, fire, casualty, automobile, surety—trial of all insurance cases, Maryland, District of Columbia and Federal Courts.

FLORIDA

MARKS, MARKS, HOLT, GRAY & YATES

1321 Graham Building
Jacksonville, Florida

Equipped for investigations, adjustments and trial of all insurance cases in Northern Florida.

ILLINOIS

CASSELS, POTTER & BENTLY

1060—The Rookery
Chicago

Clausen, Hirsh & Miller

Attorneys & Counselors
135 South La Salle Street

CHICAGO

Special Attention to the Law of

Fire Insurance and Taxation

LORD, LLOYD & BISSELL

Rm. 2460—135 South La Salle Street
Chicago, Illinois

Insurance defense—Casualty, Surety, Life & Fire Lines.

POPPENHUSEN, JOHNSTON, THOMPSON & RAYMOND

Eleven South La Salle Street
Chicago

Trial of Insurance cases—Casualty, Surety, Fire and Life — in all courts in northern Illinois.

CLARENCE W. HEYL

8th Floor Central National Bank Bldg.
Peoria, Illinois

Trial of Insurance cases: representing MARYLAND, FIDELITY & CASUALTY, ROYAL, GLOBE, EAGLE, BANKERS INDEMNITY AND OTHERS.

JOHN M. MITCHEM

101 South Broadway
Urbana, Illinois
OHIO CASUALTY

Equipped for investigation and adjustment of claims.

GEORGIA

BRYAN, MIDDLEBROOKS & CARTER

LAW OFFICES

824 Citizens & Southern National Bank Bldg.
Atlanta, Georgia

Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in Georgia.

Hitch, Denmark & Lovett

17 Drayton Street
Savannah, Georgia
Representing American Surety Co. of N. Y., New York Cas. Co., Continental Cas. Co., National Surety Corp., and numerous others.

Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in State and Federal Courts in Southern District of Georgia.

IDAHO

MARTIN & MARTIN

588-598 Idaho Building
Boise, Idaho

Fireman's Fund Insurance Company; Loyalty Group, Ohio Casualty Insurance Company and others.

Equipped for investigation, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Southern Idaho.

CHAPMAN & CHAPMAN

Burkholder Building
Twin Falls, Idaho

General Group of Seattle, Hartford Accident & Indemnity and others on request.

Equipped for investigations and trial work in State and Federal courts in south central Idaho.

INDIANA

HENRY & FUNK

Investigations—Adjustments—Trial Work
References on Request
501-7—130 E. WASHINGTON BLDG.
INDIANAPOLIS

LUTZ AND JOHNSON

Suite 728-32 Circle Tower
Indianapolis, Indiana
Insurance Attorneys

NOEL-HICKAM-BOYD & ARMSTRONG

Suite 1019—130 East Washington
Indianapolis, Indiana
Aetna Group, Commercial Casualty, Metropolitan Casualty, Standard Surety & Casualty, N. Y., and many others.
Trial of all insurance cases in State and Federal Courts.

Slaymaker, Merrell & Locke

Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-768 Consolidated Building
INDIANAPOLIS

INSURANCE ATTORNEYS

* The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

IOWA

CARL H. LAMBACH

1102 Davenport Bank Bldg.
Davenport, Iowa

Specializing in insurance trial work in State and Federal Courts. Department for investigations in Eastern Iowa.

BRADSHAW, FOWLER, PROCTOR & FAIRGRAVE

Suite 510 Crocker Building
Des Moines, Iowa

Representing Continental Casualty—Loyalty Group—
Hartford Accident and many others.
Equipped for investigations and adjustments of Insurance Claims.

COMFORT & COMFORT

Frank J. Comfort George P. Comfort
1107 Southern Surety Building
Des Moines, Iowa
Massachusetts Bonding & Insurance Co., Casualty Reciprocal Exchange.
Trial of civil cases.
Investigations and adjusting.

STIPP, PERRY, BANNISTER & STARZINGER LAWYERS

1000-1023 Bankers Trust Building
DES MOINES, IOWA
Travelers—Northwestern Life Co.—Globe Indemnity
Fireman's Fund.
Equipped for investigations, settlement of claims and trial of all insurance cases in State and Federal Courts.

BREESE & CORNWELL

First National Bank Building
Mason City, Iowa
Equipped for Investigations—Northern Iowa

A. R. STRONG

623 Davidson Building
Sioux City, Iowa

Equipped for investigations, settlement of claims, all insurance cases in State and Federal Courts.

KANSAS

HALL & CLARK

303-304 Wolcott Building
Hutchinson, Kansas

Specializing in all phases defense of insurance companies.
Reference: Western Adjustment & Inspection Company.

KELLER, MALCOLM & BURNETT

204-206 National Bank Building
Pittsburg, Kansas

Counsel for: Astina Group—Employers Group, Standard and Accident—Central Surety, United States Fire, Fireman's Fund and others.
Specializing in Insurance Law. Equipped for Trial of Cases. Investigations and Adjustments over Southeastern Kansas.

PINGRY & PINGRY

First National Bank Building
Pittsburg, Kansas

The Astina Group, Manufacturers & Wholesalers Indemnity Exchange, The Mercer Casualty Company, Indemnity Insurance Company of North America, The Glens Falls Indemnity Company.
Equipped for investigation, adjustment, settlement and trial of insurance cases over southeastern Kansas.

NORRIS & JENKINS

Public Utility Bldg.
Salina, Kansas

Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others.
Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

KANSAS (Cont.)

Doran, Kline,
Colmery, Cosgrove
903 National Bank of Topeka Bldg.
Topeka, Kansas
Equipped for investigation, adjustment, settlement and trial of insurance business of all kinds in Kansas.

HARRIS & SHEARER
302 Brown Building
Wichita, Kansas
Ohio Casualty, Employers Casualty, Builders & Manufacturers and others.
Equipped for investigations.

KENTUCKY

KEENON, HUGUETET &
KESSINGER
Security Trust Building
Lexington, Kentucky
Prudential Insurance Company; Yorkshire; Massachusetts Bonding; National Casualty, Detroit; Greyhound Lines and others.
Equipped for investigations, adjustments, and trial of all insurance cases in state and federal courts.

Davis, Boehl, Viser and Marcus
(Blakey, Davis and Lewis)
Kentucky Home Life Building
Louisville, Kentucky
Investigations, Adjustments and Trial of all Insurance Cases.

Woodward, Dawson & Hobson
Insurance Attorneys
615-24 Kentucky Home Life Building
Louisville, Kentucky

LOUISIANA

McCOY, KING & JONES
Suite 515 Weber Building
Phone 400
Lake Charles, Louisiana
American Auto Ins. Co., American Surety, Employers Group, Fireman's Fund Ins. Co., Maryland Casualty, Travelers Group, U. S. F. & G., and many others.
Investigations and adjustments all over this territory.

MARYLAND

WALTER L. CLARK

Roszel C. Thomas
Clater W. Smith
Baltimore Trust Building
Baltimore, Maryland

MASSACHUSETTS

CRYAN, SHAW AND
BRADLEY
33 Broad Street
Boston, Massachusetts

Counsel for numerous insurance companies. Names given on request. Equipped for investigation, adjustment and trial of all insurance cases in State and Federal Courts.

MILTON J. DONOVAN

31 Elm Street
Springfield, Massachusetts
Fire Companies Adjustment Bureau, Inc.
Trial of all insurance cases including casualty, fire and surety in State and Federal Courts.

MICHIGAN

BEAUMONT, SMITH &
HARRIS
2900 Union Guardian Bldg.
Detroit, Michigan

MILLER, CANFIELD,
PADDOCK & STONE
3456 Penobscot Building
Detroit

HENRY A. PLATT
2111 National Bank Building
Detroit, Michigan

Specializing in defense Trial work for Insurance Companies.

SEABORG & RICE
Attorneys and Counselors
827 Penobscot Building
Detroit, Michigan
Randolph 5160

NORRIS, McPHERSON,
HARRINGTON & WAER
1107 Peoples Bank Building
Grand Rapids, Michigan

HARRY D. BOARDMAN
607 Jackson City Bank Bldg.
Jackson, Michigan
Western Adjustment Company.
Former Prosecutor, Jackson County, and Assistant Attorney General of Michigan.
Trial work—investigations.

CLAIR S. BEEBE
1003 American National Bank Bldg.
Kalamazoo, Michigan

Western Adjustment & Inspection Co.
Trial of all insurance cases in State and Federal courts in this territory.

WM. C. BROWN
415 Hollister Bldg.
Lansing, Michigan

Representing about 25 Companies.
Trial in State and Federal Courts and before all State Departments and Boards.
Equipped for investigations.

NASH & NASH

602 Second National Bank Building
Saginaw, Michigan
Equipped for investigations, adjustments, settlement of claims and trial of insurance cases in Northeastern Michigan.

MINNESOTA

BALDWIN, HOLMES,
MAYALL & REAVILL

900 Alworth Building
Duluth, Minnesota
Travelers' Group, Mass. Bonding & Insurance Co., Pacific Mutual Life Insurance Co.

MINNESOTA (Cont.)

GUESMER, CARSON & MacGREGOR
1218-1232 Roanoke Building
Minneapolis, Minnesota

SEXTON, MORDAUNT,
KENNEDY & CARROLL
Trial of insurance cases in Federal and State Courts in Minnesota.
Investigations, adjustments, and settlement of claims.
Pioneer Building Security Bldg.
St. Paul, Minn. Minneapolis, Minn.

MONTANA

CORETTE & CORETTE
618-621 Hennessy Building
Butte, Montana

American Surety Company; New York Casualty Company; Sun Indemnity Company.
Equipped for investigations, adjustments, trial of all insurance cases in Butte, Helena and western Montana.

HALL & McCABE
414 Strain Building
Great Falls, Montana

Company representation upon request. Equipped for investigations, adjustments and trial of insurance actions in State and Federal Courts. In North & Northwestern Montana.

MERLE C. GROENE
Lewistown, Montana

Standard Accident Company of Detroit, All-State Insurance Company, Chicago.
Others on request.

NEBRASKA

MAYER & MAYER
116½ West Third Street
Grand Island, Nebraska

Massachusetts Bonding & Insurance Company—others on request.
Equipped for Investigations, Adjustments, Settlement of Claims, Trial of all insurance cases in State and Federal Courts in Central Nebraska.

C. L. CLARK
410 Richards Building
Lincoln, Nebraska

Defense of insurance cases in all courts.
Investigation, adjustment and settlement of claims.
Loyalty Group—Northwestern National Casualty Company. Trinity Universal Insurance Company.
Others on request.

ROSEWATER, MECHAM,
SHACKELFORD & STOEHR
1028-40 City National Bank Building
Omaha, Nebraska
Representing 85 Insurance Companies—
Kemper Group—Loyalty Group—Sun—Home—Liberty of Boston—American Surety—Security of Chicago—
Employers of Wausau—Associated Ind. and others.
Complete trial and claim service over Nebraska and Western Iowa.

NEW MEXICO

MANN and TONKIN
605 Sunshine Building
Albuquerque, New Mexico

Metropolitan Casualty Insurance Co.; Commercial Casualty Co.; American Automobile Assn.; others on request.
Trial of all insurance cases in State and Federal Courts in the State of New Mexico.

NEW YORK

GEORGE J. HATT, II
Chamber of Commerce Building
Albany, New York

Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in State and Federal courts.

INSURANCE ATTORNEYS

* The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

NEW YORK (Cont.)

DAVID F. LEE
DAVID LEVENE
LEE, LEVENE, O'BRIEN & KRAMER
TRIAL LAWYERS
310 Security Mutual Bldg.
BINGHAMTON, NEW YORK
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

WILCOX & VAN ALLEN
1008 Liberty Bank Building
Buffalo, New York

CLARENCE E. MELLEN
51 Maiden Lane
New York, N. Y.
Mass. Bonding & Insurance Co.
New Amsterdam Casualty Co.
United States Casualty Co.
Trial of all insurance and surety cases in State and Federal Courts. Equipped for investigations.

MELVIN & MELVIN
304-14 First Trust & Deposit Building
Syracuse, New York
Royal-Eagle-Century
Equipped for investigations, adjustments, settlements and trial of all insurance cases—State and Federal Courts.

DUNMORE, FERRIS & BURGESS
First National Bank Building
Utica, New York
Continental, Liberty, New York, Fidelity & Deposit
Equipped for investigations, adjustments, settlements and trial of all insurance cases in State and Federal Courts.

NORTH CAROLINA
HARKINS, VAN WINKLE & WALTON
Jackson Building
Asheville, North Carolina
United States Fidelity & Guaranty, Hartford Accident, Home, N. Y., Sun, Glens Falls, American Auto, many others on request.
Trial of all insurance cases in State and Federal Courts.

JNO. A. McRAE
108 Law Building
Charlotte, North Carolina
General American and others upon request.
Equipped for investigations, adjustments, trial of all insurance cases in State and Federal Courts.

E. M. STANLEY
524-28 Security Bank Building
Greensboro, North Carolina
Home, New York; Fire Company Adjustment Bureau; others on request.
Equipped for adjustments and investigations. Trial of all insurance cases—State and Federal Courts.

A. J. FLETCHER
608-10 Security Bank Bdg.
P. O. Box 1406
RALEIGH, NORTH CAROLINA
Hartford Accident, Hartford; Standard Accident, Detroit; American Auto, St. Louis
Specializing litigation and adjustments involving casualty insurance law and surety bonds. Experienced adjuster in office.

OHIO
SIEGFRIED GEISMAR
2205-9 Carew Tower
Cincinnati, Ohio
Automobile Mutual Insurance Co. of America, Prov. Mut. Ins. Co., Mutual Casualty Co., Celina, Ohio; Lloyd's of Minneapolis; Builders & Manufacturers Mutual Casualty Co.; Employers of Wausau and others on request.

OHIO (Cont.)

JOHN H. McNEAL
and
HARLEY J. McNEAL
502 Auditorium Bldg., 1387 E. 6th St.
Phone Main 1926
Attorneys-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio.

SANDLER, ELLIOTT & ASHBAUGH
614 Outlook Building
Columbus, Ohio
Representing Standard Accident, Massachusetts Bonding and others.
Investigations, adjustments, trial of all insurance cases.

CABLE & CABLE
Masonic Building
Lima, Ohio
Representing American Surety, Fidelity & Cas. of N. Y., General Acc. Fire & Life, Phila.
Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

YAGER, BEABOUT & STECHER
303 Second National Bank Building
Toledo, Ohio
American Surety Company, Phoenix Insurance Company of Hartford, Conn., and Massachusetts Bonding & Insurance Company.

RUSSELL RAMSEY
801 Feick Building
Sandusky, Ohio
Equipped for investigations, adjustments and settlements of claims.
Trial of all insurance cases.
Bank reference: Western Security Bank (Counsel).

L. M. CAILOR AND J. B. CUNNINGHAM
608-603 Union National Bank Building
Youngstown, Ohio
Equipped for investigations, adjusting, trial of all insurance cases in State and Federal Courts.

WAITE, SCHINDEL & BAYLESS
1318-27 Union Central Life Building
Cincinnati, Ohio
Insurance Litigation, specializing in Life, Casualty and Fire—Trials in Federal and State Courts—References on request.

OREGON
HARRIS & BRYSON
201-6 Miner Building
Eugene, Oregon
Zurich General Accident and Liability Insurance Company, Ltd.; Manufacturers and Wholesalers Indemnity Exchange. (Other Companies on request.)
Equipped for Investigation, Adjustments, Settlement of all Insurance Cases, and Trial in State and Federal Courts.

BARTLETT COLE
1124 Board of Trade Bldg.
Portland, Oregon
Careful attention to all insurance matters.
Trial of all insurance cases in State and Federal Courts.

DEY, HAMPSON & NELSON
800 Pacific Building
Portland, Oregon
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

OREGON (Cont.)

RAFFETY & PICKETT
410 Mead Building
Portland, Oregon

Globe Indemnity Co., Fireman's Fund Insurance Co. (Marine Department), other names upon request. Equipped to make investigations and adjustments, also trial of insurance cases in all State and Federal Courts.

SHEPPARD & PHILLIPS
1208 Public Service Bldg.
Portland, Oregon
U. S. F. & G., Lloyds of London, others on request. Investigations & Adjustments.

SOUTH CAROLINA

ROBERT McC. FIGG, JR.
43 Broad Street
Charleston - South Carolina ..

The Travelers Insurance Company, American Surety Company of New York, Hartford Accident & Indemnity Company, New York Casualty Company. Trial of all insurance cases in State and Federal Courts. Equipped for investigations and adjustments.

THOMAS-LUMPKIN & CAIN
1000-7 Central Union Building
Columbia, South Carolina
Specializing in Fire, Casualty, Surety and Life.
Trial of all cases.
Equipped for investigations and adjustments all over South Carolina.

BAILEY, VOORHEES, WOODS & BOTTM
Sioux Falls
Charles O. Bailey (1880-1928)
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottum
Howell L. Fuller Ralph S. Rice

POORE, KRAMER & TESTERMAN
302 Fidelity Bankers Trust Building
Knoxville, Tennessee
Zurich Insurance Co., Chicago, Ill.; Preferred Accident Ins. Co., New York; Commercial Standard Ins. Co., Fort Worth, Texas; and other companies on request.
Equipped for investigation, adjustments and trial of cases in all courts in Eastern Tennessee.

TEXAS (Cont.)

HUBBARD, DYER & SORRELL

City National Bank Building
Corpus Christi, Texas
References: Maryland Casualty Company, American Fidelity Casualty Company, Traders & General Insurance Company. Specializing in Insurance Law. Equipped for Investigation and Claims.

**LAW OFFICES
COKE & COKE**
First National Bank Building
DALLAS, TEXAS

Rosser J. Coke
Henry C. Coke, Jr.
Julian B. Martin

Thomas G. Murnane
John N. Jackson
Arthur E. Hamilton

SANER, SANER & JACK
Twenty-fifth Floor Republic Bank Bldg.
Robt. E. Lee Saner
Wm. H. Jack, Jr.
Jno. C. Saner
Equipped for Investigations, Adjustments, Trial of all Insurance Cases, State and Federal Court.
DALLAS, TEXAS

Cantey, Hanger & McMahon
15th Floor Sinclair Building
FORT WORTH, TEXAS

Samuel B. Cantey
(1882-1924)
William H. Hanger
Mark H. Hanger
W. D. Smith
Investigations, Adjustments, Trial All Cases

COLE, PATTERSON & COLE
Citizens State Bank Building
Houston, Texas
Bennett B. Cole, Sr.
Robert L. Cole, Jr.
Seymour Lieberman
Standard Accident Insurance Company of Detroit.
Chicago Lloyds.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

**LAW OFFICES OF
EDWARD S. BOYLES**
FIRST NATIONAL BANK BUILDING
HOUSTON, TEXAS

Edward S. Boyles
M. S. McCorquodale
Bruce C. Billingsley
E. F. Gibbons

Willard L. Russell
V. Lee McMahon
Hugh Q. Buck

CRENSHAW & DUPREE
First National Bank Building
Lubbock, Texas
Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.
Trial of all insurance cases in all courts. Equipped for Investigations—Adjustments—Settlement of claims in plains Country.

**BIRKHEAD, BECKMANN,
STANARD & VANCE**
800-811 Gunter Building
San Antonio, Texas

**MOURSUND, BALL,
MOURSUND & BERGSTROM**
613 Frost National Bank Building
San Antonio, Texas
Loyalty Group and others given on request.
Trial of all insurance cases, State and Federal Courts this territory.

UTAH
Stewart, Stewart & Carter
1105 Continental Bank Building
Salt Lake City, Utah
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

(Continued next page)

INSURANCE ATTORNEYS

The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

VIRGINIA

W. SHEPHERD DREWRY

241-244 Law Building
Norfolk, Virginia

Indemnity Insurance Co. of N. A., United States Fidelity & Guaranty, Bankers Indemnity Co., Fire Association of Phila., American Indemnity Co., All State Insurance Co. Equipped for investigations, adjustments and trial of all insurance matters in State and Federal Courts.

T. RUSSELL CATHER

34 Rouss Ave.
Winchester, Virginia

New York Life, Maryland Casualty, American Surety Co. Equipped for investigations, trial of all cases, State and Federal Courts and Commissions.

WASHINGTON

ALLEN, FROUDE & HILEN

Northern Life Tower
Seattle, Washington

U. S. F. & G., Northwestern Mutual Life Ins. Co. Others on request.

DAVIS AND GROFF

(William Hatch Davis, former member Vermont Bar) (Guy B. Groff, former member Maryland Bar)
1333 Dexter Horton Building
Seattle, Washington
(1) John Hancock Life.
(2) Fidelity & Guaranty Fire Corporation.
(Others on request.)

Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

N. A. PEARSON

403-84 Fourth & Pike Bldg.
Seattle, Wash.

Associated Indemnity Corp. and London Guarantee & Accident Co. Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

ROBERTS AND SKEEL

Insurance Building
John W. Roberts
E. L. Skeel
Tom W. Holman
Frank Hunter
Tyre H. Hollander
Laurence Booth, Jr.
Seattle

SCHWELLENBACH & GATES

Alaska Building
Seattle, Washington

American Automobile Insurance Company, St. Louis, Missouri; other companies given on request. Trial of all insurance cases, State and Federal Courts.

DANSON, LOWE & DANSON

Paulsen Bldg.
Spokane, Washington

Maryland Casualty Co., U. S. F. & G. Co., and others on request.

Investigations and trial of all insurance cases in state and federal court.

PEDIGO, WATSON & GOSE

218 First National Bank Bldg.
Walla Walla, Washington

American Automobile of St. Louis, Great Lakes Casualty Company of Detroit. Others on request. Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts, Southwestern Washington.

BONSTED & NICHOSON

Miller Building
Yakima, Washington

Loyalty Group, Pacific Indemnity, & others on request. Equipped for investigation and adjustments, trial of all insurance cases in federal and state courts.

WEST VIRGINIA

PAYNE, MINOR, RAY, MAIER & DAVIS

Kanawha Valley Building
Charleston, West Virginia
New York Casualty, American Surety, Zurich, American Motorist, Lumbermen's Mutual Casualty Co. and others on request. Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

VINSON, THOMPSON, MEEK & SCHERR

First Huntington National Bank Building
Huntington, West Virginia
Hartford Indemnity, General Accident, U. S. F. & G., U. S. Guarantees (Chubb & Son), Inter-Ocean Casualty Company (General Counsel), and others on request. Investigations, adjustments and trials — State and Federal Courts.

RUSSELL, HITESHAW & ADAMS

225½ Fourth Street, (Box 510)
Parkersburg, West Virginia
Employers' Group — The Fidelity & Casualty Company of New York, Glens Falls Indemnity and others furnished, request. Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

NESBITT & NESBITT

800 Riley Law Building
Wheeling, W. Virginia
Maryland Casualty Co., Travelers, Fidelity & Deposit of Maryland. Equipped for investigation and adjustment. Trial of insurance cases in all courts.

WISCONSIN

STREHLOW & CRANSTON

510 Northern Building
Green Bay, Wisconsin

Equipped for adjustments, investigations and trial of cases.

GRELLE & SCHLOTHAUER

105 Monona Avenue
Madison, Wisconsin
Lumbermen's Mutual Casualty Co., Zurich, Pearl Assurance Co., Ltd. Equipped for investigations and adjustments. Trial of all cases in State and Federal Courts and before commissions.

BLOODGOOD, STEBBINS & BLOODGOOD

812 W. Wisconsin Ave.,
Warner Building
Milwaukee, Wisconsin

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin
Special attention to the Law of Fire Insurance

POWELL & SPROWLS

11 First National Bank Building
Superior, Wisconsin
NEW YORK CASUALTY COMPANY, AMERICAN SURETY COMPANY, MARYLAND CASUALTY COMPANY — others on request.

Equipped for investigations and adjustments and trial of all insurance cases.

WYOMING

JAMES A. GREENWOOD

Majestic Building
Cheyenne, Wyoming

Former Attorney General, State of Wyoming. Trial of all Insurance Cases in State and Federal Courts.

writers Association, Atlanta; J. Dillard Hall, assistant agency director United States Fidelity & Guaranty; Payne H. Midyette, National Association executive committeeman, Tallahassee, Fla., and Insurance Superintendent Julian.

Mr. Fall will speak on "Combating Mutual and Reciprocal Competition"; Superintendent Julian on "State Regulation," and Mr. Hall on "Automobile Accident Prevention."

Past Presidents' Dinner

The annual past presidents' dinner will be held May 12 with Past President C. S. Boswell of Huntsville presiding.

Greetings to the visiting agents will be extended for the city by Mayor W. A. Gunter and for local agents by Max S. Baum. The response will be by Charles S. Henegan of Birmingham. Following introduction of guests annual reports will be given by President L. J. Thomas of Dothan and Secretary-Treasurer E. H. Moore of Birmingham.

A number of subjects are listed for round table discussion, as well as committee reports and action on a number of questions.

The annual banquet and dance will be held May 13. A stag luncheon will be held the second day.

New Orleans City Property Is Covered for \$10,000,000

NEW ORLEANS, April 28.—The city government has taken out blanket fire policies for \$10,000,000 covering all city-owned or controlled properties 100 percent. They were written at a rate of 65 cents per \$100 for three years, or a total premium for the three years of \$65,000. Under the old rates, the cost to the city would have been \$110,000. They were written by four agencies, the Louisiana Insurance Agency, Kammer, Delord & Ducasse, M. J. Hartson and Meyers, Whitty & Hodge, which made a joint survey of the city owned properties. Between 35 and 40 other agencies participated in the commissions.

Murphy to Head Arkansas Agents for Fifth District

PINE BLUFF, ARK., April 28.—More than 50 agents from 15 south and central Arkansas counties attended a meeting of District 5 of the Arkansas Association of Insurance Agents here. These officers were elected: H. F. Murphy, Pine Bluff, president; K. W. Bullock, El Dorado, vice-president, and John H. Means, Pine Bluff, secretary-treasurer.

Louis Rosen, president of the state association, was the principal speaker.

GROUP 2 AT ROGERS

ROGERS, ARK., April 28.—The annual meeting of District 2 of the Arkansas Association of Insurance Agents, covering 15 counties in northwest Arkansas, is being held here today. Commissioner M. J. Harrison is a guest.

Similar group meetings will be held at five points in Arkansas previous to the meeting of the state association at Hot Springs May 21-22.

Louisville Losses Light

Since the flood in Louisville fire losses have been unusually light. Adjusters report the bulk of claims are on automobile collisions, with but few fire or theft claims.

Organize B. D. O. in Oklahoma

Further steps toward organizing the Oklahoma Business Development Office in connection with the national movement, will be taken at meetings May 10-11 by John A. Bossett, general chairman. On the first day field men and local agents zone chairmen will hear Wallace Rodgers, assistant manager of the Western Underwriters Association, outline details of the work in Oklahoma. The second day will be reserved for

members of the Oklahoma City zone of which T. Ray Phillips is chairman. Other zone meetings will be announced later.

Favor Single Agencies

BIRMINGHAM, ALA., April 28.—The Birmingham Association of Insurance Agents at its meeting this week reaffirmed its stand in behalf of a single agency rule as applicable to fire insurance. There had been talk of a change to permit dual agencies. Proponents of the single agency rule won out on the contention that it is fairer to all, especially to the smaller companies, some of which have difficulty in obtaining agency representation.

W. H. McClain on Chicago Visit

W. H. McClain, general agent of Oklahoma City, was in Chicago this week, conferring with the Millers National, which he represents.

Bureau Adjusters Shifted

The Fire Companies Adjustment Bureau has opened a new office at Winston-Salem, N. C. The manager is H. B. Frazier, Jr. This office will be under the supervision of Greensboro.

Mr. Frazier was previously located at Beckley, W. Va. He is succeeded there by Jerry Loyd, now at Richmond. A. T. Vail, now at Greensboro, succeeds Mr. Loyd in Richmond.

To Speak to Memphis Club

Victor G. Hextor, president of the Insurance Club of Memphis, has invited Leon McGilton, American, president Tennessee Fire Underwriters Association, and H. P. North, Springfield F. & M., chairman of the Business Development Committee, to appear before the club May 7. Mr. McGilton will talk on "One Stop Service" and Mr. North on the "Business Development Idea."

Plan Kentucky Agents' Meet

G. R. Reed, Columbia, Ky., chairman program and arrangements committee Kentucky Association of Insurance Agents, was scheduled to meet with his committee in Louisville this week to arrange for the Kentucky convention at the Brown Hotel there June 17-18. Other members of the committee are Martin Boedeker, Louisville; C. D. Harris, A. G. Chapman and Fred Lieber. The association reports 51 new members secured in its membership drive.

Nashville Women Hear Mankin

The Woman's Insurance Club of Nashville held its regular meeting April 22 and had as speaker H. E. Mankin of Chicago, superintendent inland marine department, Aetna Fire. He stressed the sale of the personal property floater. This meeting closed a membership drive and the club presented 10 new members. Several state agents and local agents of Nashville were guests.

Demand for Whisky Cover

Demand for whisky insurance in Kentucky continues active, with Kentucky distilleries producing 9,368,000 gallons in March. Total stocks in bond in Kentucky April 1, were 153,645,000 gallons. It is costing 58 to 60 cents a gallon to make whisky in Kentucky, with the 5-cent a gallon production tax to the state and a very strong grain and cooperator market.

Incorporate Ardmore Exchange

The Ardmore (Okla.) Insurors Exchange has been incorporated by R. C. Tate, J. S. Berkshire and E. C. Wymore.

Southern Notes

W. H. Crowder, who founded the Shawnee Mutual Fire at Shawnee, Okla., died at Tulsa.

D. J. Trahan, manager and owner of the Pelican Insurance Agency, Kaplan, La., died there. E. J. Trahan, a cousin, will take charge of the agency.

PACIFIC COAST AND MOUNTAIN

Receiving Many Complaints

Commissioner Sullivan of Washington Calls the Attention of Companies to Alleged Violations

Commissioner Sullivan of Washington has written a letter to all fire and casualty companies licensed in the state, calling attention to a number of complaints that he has received. He asked that the companies transmit a copy of the notice to all agents. The letter is as follows:

"The department is receiving increasingly numerous complaints relative to unethical practices involving rate-cutting, discrimination, rebating and other violations of the insurance code in the writing of fire and casualty insurance by both the companies and their agents. We are determined that these practices shall stop and that all business shall be written in accordance with the insurance code and the field rules and rates of the various companies. The department is now in a position to make an active and prompt investigation of all such complaints, an extensive policing system having been established, which will make it possible to immediately investigate all complaints or violations of companies' filings and the insurance code. In announcing this activity upon a larger scale than ever heretofore attempted, the full cooperation of those actively engaged in the business is solicited so that these unfair practices may be eliminated. We will expect any known violations to be immediately reported."

"For your information, wish to quote Paragraph 7107, Remington's Revised Statutes, the same being Section 62 of the insurance code:

"Every insurance company, agent, solicitor, or broker and every person or party having knowledge of a violation of this act, is required to promptly report the facts and circumstances pertaining thereto to the commissioner; which report and the name of the informant shall be held as confidential by the commissioner and shall not be made public."

"Determined that these violations shall cease, full authority has been given the department investigators to go to any length to determine the accuracy of the complaints and to obtain the necessary information. Violations will be drastically dealt with and will involve the licenses of the agents and the certificates of authority of the companies."

Insurance Scout Troop Honored

SAN FRANCISCO, April 28.—First prizes in both Class B and Class C were awarded to Boy Scout Troop 404, sponsored by Insurance Post 404, American Legion, for firemanship and safety exhibits, at the merit badge exposition.

Classes of entries were determined by difficulty of subject to be displayed, Class C constituting those most difficult to exhibit.

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Local Agents Are Helpful

Bankers Regional Convention in Santa Fe, N. M., Addressed on Financing by B. G. Wills

Rapid growth of automobile financing deals by banks and the assistance which local agents can give were discussed by B. G. Wills, vice-president Fireman's Fund Indemnity, at the Santa Fe, N. M., regional convention of the American Bankers Association. He took up insuring automobiles on the time payment plan and problems confronting the business in this respect.

"Today we encounter a new condition in the automobile financing business, inasmuch as the extension of credit by banks for the purpose of financing the purchase of automobiles is being recognized as a proper and regular banking transaction," he said, speaking on "Consumer Automobile Financing by Banks." He stressed the value of local agents.

"Consumer credit will, I believe, produce the greatest earnings possible and at the same time be consistent with conservative banking management. The necessary insurance should be purchased through the local agents of your community and you should insist that it be written in companies acceptable to you. The local agent can help you acquire business and he is 'worthy of his hire.'

"Please remember that cut-rate insurance is not appreciated by your customer when losses occur, and the proper settlement of losses always reflects favorably upon the bank."

Hire Secretary in Denver

DENVER, April 28.—At a recent meeting of the Denver Association of Insurance Agents it was decided to establish an office and to employ a secretary to look after detail work of the organization.

Visit Mountain Field

Clem E. Wheeler, assistant general agent Hartford Fire, Chicago, visited Denver with Special Agents Charles W. Fletcher and R. G. Harris.

J. R. Cooney, president, and H. A. Clark, vice-president and western manager Firemen's of Newark, were in Denver on business.

Ralph H. Learn, assistant western manager of the Aetna Fire, Chicago, is visiting agencies in Colorado and New Mexico.

Oregon Conference Election

SAN FRANCISCO, April 28.—W. G. Rich, assistant manager Royal-Liverpool group, was elected president of the Oregon conference committee at the organization meeting. He was vice-president last year. W. O. Wayman, National of Hartford, was elected vice-president.

Bartlett Is Stockton Manager

W. S. Bartlett has been appointed manager of the Stockton, Cal., branch of the Fire Companies Adjustment Bureau, following the temporarily retirement, due to illness, of Warren Benson. On recovery from his present illness, Mr. Benson will join the San Francisco office.

Mr. Bartlett was Grand Rapids, Mich., branch manager of the Underwriters Adjusting 13 years and joined the Pacific Coast branch of the Fire Companies Adjustment Bureau early this year.

Pacific National Promotions

W. R. Firlotte of Los Angeles has been appointed automobile special agent of the Pacific National Fire in southern California. He has had about ten years' experience in insurance work, and was

transferred from San Francisco to Los Angeles about a year ago. Donald Mushet, formerly assistant to Mr. Firlotte, has been advanced to claims manager.

Pacific Board Meets May 11-12

The annual meeting of the Pacific Board will be held May 11-12 at Del Monte, Cal.

Nominations for new officers will be announced in San Francisco, April 29.

Insurance Candidate for "Queen"

Miss Vivian Sorenson of the California-Commercial Union group's San Francisco offices, has been named representative of the insurance fraternity in

that city in the contest for "queen of the Golden Gate Bridge Fiesta." Miss Sorenson's entry is sponsored by the Insurance Women's League.

Hagebush Independent Adjuster

L. D. Hagebush of Los Angeles has opened an office there as an independent adjuster, handling all fire and casualty lines. He was for 14 years adjuster and claims manager for southern California and Arizona with the Northwestern Mutual Fire and Northwest Casualty.

F. H. True, 83, Los Angeles insurance broker, former city councilman, fire commissioner and past president of the Federation of State Societies, died there, following an illness of several months.

EASTERN STATES ACTIVITIES

Request Companies to Act

Bergen County (N. J.) Agents Association Seeks Elimination of Unqualified Insurance Representatives

Fire companies have received requests from the Bergen County (N. J.) Association of Insurance Agents to cancel specified agency appointments. In its communication to the companies, the association states it has completed an analysis of agents in the county. It finds that there are more than 1,000 agencies and the association states that this is an excessive number in a territory of 400,000 population. A number of the agents are of a type that lend no credit to the business, the communication states.

The association expresses objection to the solicitation of business by company employees and to the appointment of agents who cannot qualify for membership in the association. The main requirements set up by the association are that the agency is a local policy writing insurance agent as far as fire insurance is concerned; that an office is maintained in Bergen county; that at least 50 percent of the business day is devoted by the office to the insurance business in Bergen county.

Each company is then furnished a list of agents to whom the association takes exception.

The committee making the survey consisted of Alfred Christie, J. C. Conklin, A. V. Livingston, Lawrence Lofberg, H. P. Murphy and E. M. Schmults.

Plan Federation Meet

A serious accident will be staged in Pittsburgh June 4, and Mayor Scully of Pittsburgh will hold an open-air traffic court on the spot for the offending driver. The affair will be a safety-first demonstration staged by the Insurance Federation of Pennsylvania as part of its observance of Conservation of Life Day. It is designed to bring home to the public the necessity for careful driving

and the need for taking proper precautions in crossing streets.

In keeping with its conservation of life and property keynote, the Insurance Federation of Pennsylvania will devote its opening luncheon on June 3 to the subject. John B. Kelly, secretary of internal revenue, will discuss the highway accident prevention campaign, and T. Alfred Fleming, manager of the National Board's conservation department, will tell of his organization's work.

Seek Maine Political Ban

Considerable agitation is reported among Maine insurance people to prohibit public employees from participating in the business. This follows orders issued recently by Governors Hurley of Massachusetts and Quinn of Rhode Island banning such activity. Governors and insurance commissioners in a number of other states have called attention to laws against political placing or have indicated their stand against it.

Massachusetts B. D. O. Activities

NORTHAMPTON, MASS., April 28.—The Hampshire Business Development Office committee, with H. H. Landdon of the Agricultural as chairman, will meet with the Northampton and Amherst boards at dinner here May 6 to discuss the B. D. O. program.

Millers Mutual's New Office

The Millers Mutual Fire of Harrisburg, Pa., will hold open house Thursday of this week in its new home office building, 805 North Front street, from 7 p. m. to 10 p. m.

Westchester County Annual

At the annual meeting of the Westchester County (N. Y.) Association of Local Agents at White Plains, N. Y., W. A. Cline, Bronxville, was elected president; J. K. Huntington, New Rochelle, vice-president; William Lane, New Rochelle, secretary. The directors

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are G. L. Bell, Yonkers; J. J. Butterly, Peekskill; J. E. Martin, Rye; P. A. Murray, Mount Vernon; R. W. Mackenzie, Yonkers; Franz Siegel, Scarsdale, and H. K. Morrell, White Plains.

Honored for 44 Years' Service

BANGOR, ME., April 28.—Officials of the New Hampshire Fire gave a testimonial dinner here to Linwood C. Tyler of L. C. Tyler & Son, in honor of his 44 years of representation of the company. Local field men and agents

were present and a desk thermos water set was given Mr. Tyler.

Paroled Firebug Causes New Loss

AUGUSTA, ME., April 28.—Kenneth Bird, committed to the state reformatory for setting fire to his mother's house, and recently let out on parole, set fire to buildings in Freeport, causing \$10,000 damage. The legislature has approved payment of the loss out of the state treasury but with some pertinent questions about the advisability of paroling firebugs.

MARINE INSURANCE NEWS

Eye Future of Floater Form

Marine People Fear Householders Comprehensive May Get Out of Hand As Time Goes On

Insurance people are greatly interested in what the future developments in respect of the personal property floater are destined to be. Due to competition, permission was recently granted by the I. M. U. A. to sell this contract on the three-year term basis. Other types of competition are likely to develop in connection with this cover.

For instance, some of the non-conference institutions are pondering the advisability of making this coverage available to householders in moderate circumstances, by reducing the minimum premium. This may be coupled with some policy restrictions and perhaps with a deductible or franchise clause. At least one company, whose charter permits it to do so, is considering the issuance of a personal property floater covering the dwelling as well as the personal effects. The idea of reducing the minimum premium to \$25 is being discussed in some quarters.

Conservatives Alarmed

Conservative marine underwriters are beginning to express alarm at the possibilities. They fear that competition is likely to be multiplied, particularly if the laws in some of the states are changed to permit casualty companies to absorb this business. Under the proposed Illinois insurance code, casualty companies could do so.

The contract so far has proved highly profitable. Some observers, however, believe that the results will become increasingly less satisfactory, as the assured become better apprised of the types of claims that will be honored. There is a distinct tendency, according to marine executives, for claims to increase in number and variety. A good many payments are being made on account of theft of personal effects from automobiles. So far, according to marine people, the type of buyer of the personal property floater has been high. The companies have sought to avoid buyers who would take improper advantage. If the minimum premium were reduced and the contract thus placed within range of a vast new class of assured, then some of the marine underwriters believe that there is reason to be apprehensive.

The personal property floater has

projected a lot of problems in the last few years and is likely to be a continuing source of problems.

Chicago Lloyds Issuing Personal Property Form

Chicago Lloyds, which with London Lloyds was one of the earliest carriers to write the householder's comprehensive contract, but with adoption of the uniform marine definition by Illinois and some other states about a year and a half ago, was excluded from writing that form, has now entered the field of writing the personal property floater. This is a standard contract, which, however, excludes flood cover. The rates are 80 percent of Inland Marine Underwriters Association rates for the personal property floater and the minimum premium is \$40 instead of the standard \$50, therefore being scaled down 20 percent similar to rates. This contract will be written only in selected territory.

New I. M. U. A. Rule Amounts to Insurance of Premium

The Inland Marine Underwriters Association's announcement authorizing an endorsement covering pro rata portion of unearned premium in case of loss, drafts into the inland marine field a method that has been used generally in fire insurance for a long time. This amounts to insurance on the earned premium charge in case of a partial or total loss. Without this provision in case of partial loss, the policy limits are proportionately reduced, and in case of total loss become extinguished.

An additional premium is charged for the endorsement, which is applied at the time the policy is issued. Heretofore inland marine companies have been accustomed to restore the policy's face in event of loss by charging the pro rata portion of the annual premium for the period running to expiration date. For instance, if at the six months period a \$500 loss should occur on a \$1,000 policy, to restore the face amount to \$1,000 it would be necessary for the assured to pay one-quarter of the annual premium.

Extra Charge Moderate

In the case of a \$100 premium this would amount to \$25. But the charge under the new rule will be only one-half of the total rate charged for the policy so endorsed, applied to the total

premium charged, but not less than \$2.50. Thus on a \$100 premium the additional charge would be \$5 which would provide insurance even up to the total amount of the premium in case of total loss, thus continuing the policy in full force.

The endorsement recommended for use by I.M.U.A. companies is, "In consideration of additional premium of \$... it is hereby provided that in the event the amount of insurance under this policy shall be reduced by loss payments, this company shall pay to the assured the pro rata portion of the premium unearned at the date of the loss on the amount of such loss payment."

The provision, it is believed, will be especially attractive in case of term policies, which involve larger premiums, and on large risks.

Commission Is Named to Receive "Scantic" Claims

NEW ORLEANS, April 28.—A petition asking for exoneration or limitation of liability for damages for the death of nine persons and injury to several others in a fire aboard the steamer "Scantic" at Algiers Nov. 24, 1936, was filed in federal court here by the American Scantic Line, of New York, the owner. U. S. Judge Borah ordered stay of prosecution or institution of death or injury claims against the company pending further court orders, and appointed R. H. Carter, Sr., U. S. commissioner in admiralty, to accept claims on or before June 1. The fire was caused by use of acetylene torches by employees of the Todd-Johnson Dry Docks, and the vessel owners are in no way liable for deaths and injuries from the fire, the petition urged. The line, it was said, in event it should be held liable for deaths and casualties resulting from the fire would be subject to maximum liability of \$288,973 under federal statutes. Since the fire the name of the "Scantic" has been changed to "Southfolk."

able to complete its task before it was time to leave for the W. U. A. meeting, so Mr. Rickards was directed to pack and make the trip. The automobile business was then disposed of at White Sulphur.

Ultimatum to Auto Outfit

LANSING, MICH., April 28.—Following receipt by the Michigan department of a copy of a brief filed by the Auto Hospital Association of Flint in a legal action pending there, another letter has been dispatched by Commissioner Gauss directing the association to cease activities and dissolve. An earlier letter of similar import brought the brief as an answer. Counsel for the "association," said by department officials to be an individual enterprise, contend that its business is not of an insurance nature.

Commissioner Gauss, in his second letter, directed the association's management to halt operations or face the alternative of prosecution.

Finance License Bill

LANSING, MICH., April 28.—Specific provisions relative to the handling of automobile insurance by finance companies are contained in the Murphy bill in the Michigan legislature which would set up licensing provisions for automobile dealers, salesmen, and financing agencies. Licensees would have to provide a \$5,000 compliance bond. Finance companies would have to send the buyer a certificate of insurance clearly setting forth the exact nature of the insurance coverage and the amount of the premium.

State Meeting Assignments

National Association of Insurance Agents Will Have Representatives at the Various Conventions

Official assignments have been made by the National Association of Insurance Agents for the coming state meetings. A. B. Dunbar of Omaha, member of the executive committee, is attending the Louisiana meeting at Monroe this week. P. H. Midyette of Tallahassee, Fla., another committeeman, will be the representative at the Alabama gathering at Montgomery, May 13-14. Former President K. H. Bair of Greensburg, Pa., will speak before the North Carolina meeting at Pinehurst, May 17-18 and then will journey to Hot Springs, Ark., to the Arkansas meeting there May 21-22. He is also assigned to the Georgia convention in June.

President W. Owen Wilson will give the address before the South Carolina meeting at Sumter, May 19-20, and will be the speaker at the New York meeting at Syracuse, May 24-25. He will also be the national representative at the Kentucky meeting at Louisville, June 16-18 and the New England meeting at Bretton Woods, N. H., July 1-3. John K. Boyce of Amarillo, Tex., another committeeman, will be the speaker at his own state meeting at San Antonio, May 27-28 and is assigned to the Iowa meeting at Waterloo in September.

Secretary W. H. Bennett will appear at the Mississippi meeting at Gulfport, May 21-22 and is also assigned to the Virginia meeting at Old Point Comfort, June 25-26. W. H. Menn of Los Angeles, member of the executive committee, will act as the representative at the Washington, Idaho and Oregon meetings.

Study Hawaii Code

The Hawaii senate has appointed a holdover committee to make an exhaustive study of the proposed new insurance code for the territory and to report its conclusions to the next session of the territorial legislature in 1939.

The proposed code would provide greater insurance restrictions.



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Statement December 31, 1936

ASSETS

U. S. Treasury Bonds	\$1,618,037.96
Other Bonds	1,126,384.52
Stocks	144,581.00
Accrued Interest	23,718.47
Cash in Office and Banks	124,993.03
		\$3,037,714.98

LIABILITIES

Voluntary Contingency Reserve	\$ 537,714.98
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	1,650,000.00
Surplus to Policy Holders	2,500,000.00
		\$3,037,714.98

Bonds and Stocks owned are valued in accordance with the requirements of the New York State Insurance Department and the National Convention of Insurance Commissioners.

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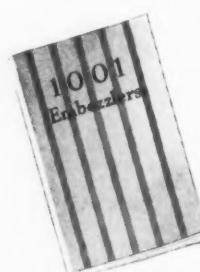
So long as human beings are beset by temptation, and trusting employers fail to protect themselves against the possibility that trusted employes may weaken, embezzlement will continue to flourish, and

leave a trail of shock, loss and business failure in its wake.

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